

Sonoma County, California



City of Cotati



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2024

CotatiCity.gov



City of Cotati, California

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2024

Prepared by the Administrative Services Department

Angela Courter, Director of Administrative Services
Neil Tomlinson, Senior Accountant

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For the year ended June 30, 2024
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Introductory Section

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

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MEET THE COTATI CITY COUNCIL



Laura Sparks
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Sylvia Lemus
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Elected Term:(2022-2026)



Kay Rivers
Council Member
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Other Commissions or Committees:

Planning Commission
Measure S Citizen Oversight Committee

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MEET THE COTATI CITY MANAGEMENT TEAM



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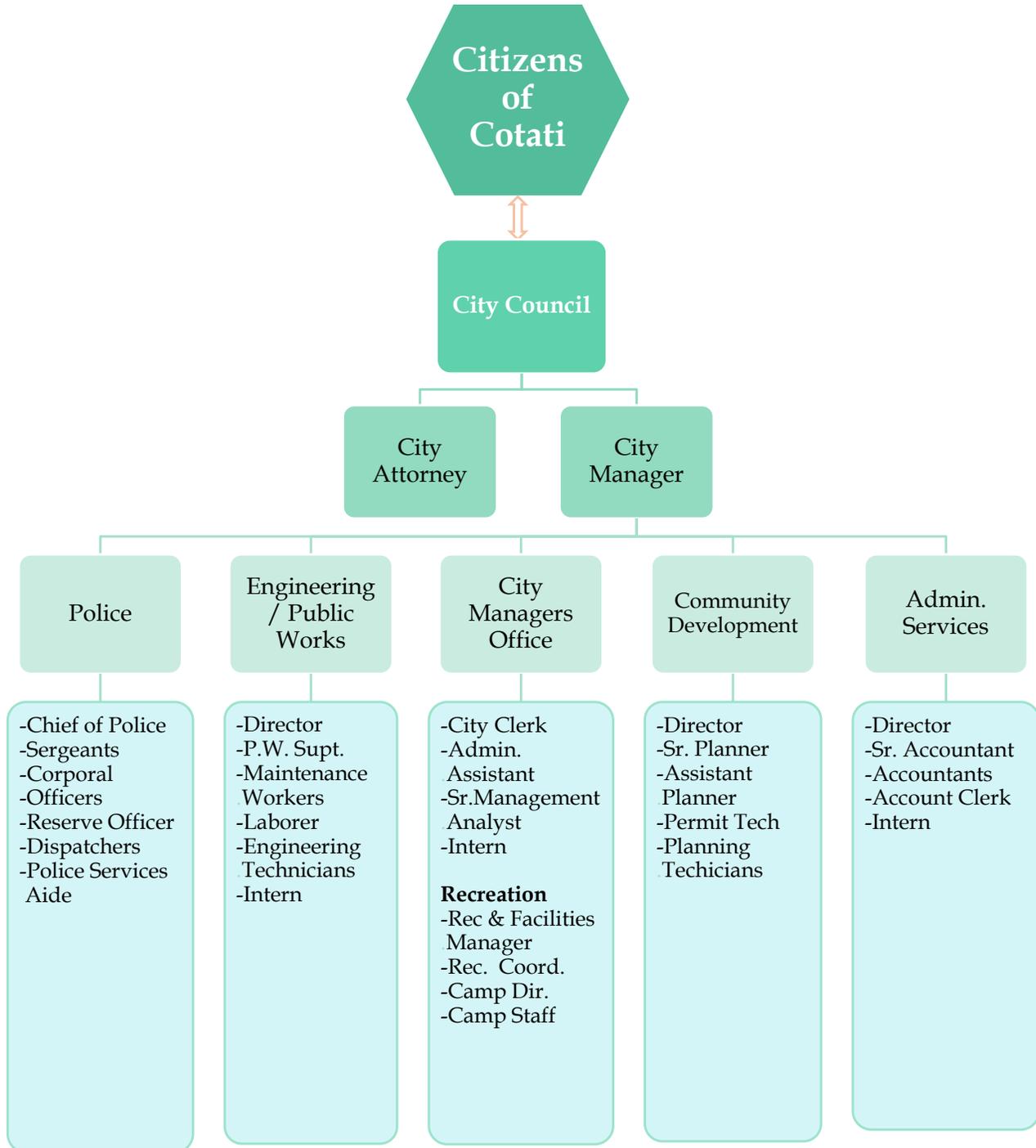
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ORGANIZATIONAL CHART





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, 2023

Christopher P. Morill

Executive Director/CEO



January 22, 2025

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, 2024. The fiscal year covers financial transactions from July 1, 2023, to June 30, 2024, on a modified or full accrual basis, depending on the fund type. While the City is only required to present a basic financial audit, 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, 2024. 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, 2024, 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, 2024, 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 fifth and final year that the City is using Badawi & Associates 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 about 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 7,303, 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. Award winning 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 City Council selects the Mayor and Vice Mayor 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. The Rancho Adobe Fire District provides all fire services to the community.

Demographic Information

Size: 1.88 square miles

Population:² 7,303

Population Ranking of CA cities³: 557 of 1,578

Race & Ethnicity: White-71.7%, Hispanic-18.8%,
Two or More Races-6.8%

Median Age: 38.0 years

Highschool graduate or higher: 95%
(State: 83.9%)

Median Household Income (2022): \$112,841
(State:\$89,870)

Estimated Median House: \$585,000
(State: \$793,600)

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 reviews the financial activity quarterly 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 consistent with generally accepted accounting principles (GAAP). Any amendments to the total appropriations of the 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 stagnant revenue growth compared to increasing cost of operations, including the rising costs of general insurance for the City, the reduced CalPERS discount rate for pensions (and the corresponding higher annual payments), higher utility costs, higher labor costs, while simultaneously striving to fund the necessary replacement and upgrades of city infrastructure.

With compounded inflation from 2023, the City continues to experience rising costs for all things, including 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 remain fiscally prudent and focused on using our resources to maintain 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) and 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 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

Postcovid unemployment in the nation dropped to 3.6% in June 2023. Since then it has steadily increased to 4.1% as of June of 2024. According to the Sonoma County Economic Development Board's 3rd quarter economic outlook, “Job growth has also suddenly cooled. This has come into clearer relief with recent sizable downward revisions to monthly payroll job gains. Downward revisions of this size generally happen when the economy's growth is downshifting meaningfully and the survey of businesses used to estimate jobs is struggling to catch up to the reality of the pullback. Judging from the vagaries of the data, the economy is creating fewer than 200,000 jobs per month—not enough to absorb everyone entering the job market. Unemployment is on the rise.”⁴. At the local level unemployment rates have declined reducing to below the pre-COVID levels as of June 2024. In the next five years the county anticipates Healthcare, Protective Services, and Food Preparation Occupations to experience the highest amount of growth. Cotati has similar trends with unemployment at 3.4% and a labor force participation rate of 70.8%. Overall, the top industries or employment are Health Care and Social Assistance (14.7%), Admin Services and Waste Management (both at 12%), Retail (9.2%) and accommodations and Food Services (5.4%) and Manufacturing (5.1%)⁵.



Unemployment Rate⁶:

United States 4.1%, California 5.2%, Sonoma County 4.0%, Cotati 3.4%

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 has reduced to 2.5% as of September 2024 compared to the high of 8.2% in September 2022.⁷ This is consistent with inflation within the state of California and the Bay Area⁸ where the calendar year average inflation for the state was at 8.5% in 2022, and then slowed to a 2.7% as of August 2024.

Personal Saving Rate

The personal saving rate is calculated as the ratio of personal saving to disposable personal income. In August 2024, the personal saving rate in the U.S. increased to 4.8%⁹. In 2023, the personal saving rate was 3.7%. By comparison, 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.

4 HdL Companies California Forecast December 2024

5 https://sonomaedb.org/Microsites/Economic%20Development%20Board/Documents/Reports/2024/City%20Reports%20Cotati%202024_ADA_v3.pdf

6 <https://sonomaedc.org/data-center/workforce/job-market-tracker#:~:text=HIGHLIGHTS->

,Press%20Enter%20to%20explore%20data,JOB%20POSTINGS%20&%20SALARY

7 <https://www.statista.com/statistics/273418/unadjusted-monthly-inflation-rate-in-the-us/>

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

9 <https://www.bea.gov/data/income-saving/personal-saving-rate>

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 2024 saw month over month growth of \$47.2 billion or 0.2%.

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 provides 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 to 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 protect the small-town quality of life. For FY 23/24, the City collected approximately \$3.1 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, 2024, the total sales tax rate in Cotati was 9.50%¹⁰ 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.

¹⁰ <https://www.cdta.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 4.3% or \$1.5 billion for the 2024/25 tax roll. This is just under Sonoma County which had a 5.2% increase in the tax roll for 2024/25.

Growth in values was attributed, for the most part, to a combination of the sale of property (\$22.9 million) and the inflation adjustment of up to 2 percent (\$28.6 million). Residential values increased by \$46.7 million. The sale of property added \$15.2 million while new development added \$3.3 million. Industrial values grew by \$8.5 million primarily based on the sale of two properties for a total of \$4.0 million of increased valuation. Unsecured values increased by \$2 million primarily due to added Business Equipment and Leasehold Improvements within the Gravenstein highway business center.



Through the first half of the 2024 calendar year, counties are still experiencing declines in the number of recorded sales from 2023. Home sales pulled back in June as interest rates remained high through the end of the second quarter. All major California regions experienced a moderate increase in their median sale prices from a year ago in June. The Central Coast posted the biggest sales jump on a year-over-year basis, increasing 8.9% from a year ago. The Far North (7.6%) second and Southern California (7.4%) were a close second and third, respectively, and were followed by the San Francisco Bay Area (5.8%) and the Central Valley (4.8%). The median sale price of Cotati homes in from January through July 2024 was \$585,000 or an average of \$680,527. Compared to the same periods in the prior year, this is an increase on the average price from \$659,443 but a decrease in the median price which was \$630,500. Additionally, there was a decrease in the full value sales which was 70 units in both 2022 and 2023 to only 37 units during this period for 2024.

Housing/Building Permits

Building improvements and construction declined within the City in Fiscal Year 2023/24, with the number of building permits issued (264 permits totaling \$9,303,980 in value) decreasing by approximately 10%, and decreased valuation of more than 58% compared to Fiscal Year 2022/23 (293 permits totaling \$21,927,027 in value). This decrease is primarily related to the prior year completion of a larger single building permit projects and a decrease in smaller home improvement projects which require building permits.

Economic Condition and Outlook for the General Fund

The City's estimated ending General Fund Balance in the FY2024/25 Budget is \$4.1 million, which is equivalent to 42% of total operating expenses. This estimated reserve exceeds the required budgetary 25% reserve, set by City Council resolution. 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 FY2024/25 Budget:

- Property tax growth of around 3.1% based on 2% assessor applied CPI plus change in assessed value due to transfer of ownership as well as new construction.
- Sales tax decrease by less than 1.0% due to change in consumer spending towards services which are not subject to sales tax as well as countering impacts from inflation where both consumer spending is decreased but the cost of goods purchased are increased.
- Cannabis business tax increasing to approximately \$750,000 or 15.4% increase from prior year due to new businesses operations subject to the tax.
- Staffing Costs increased by 3.1% based on an employee vacancy rate of 0%, set pension required payments, and programmed salary increases contained in the approved MOUs.
- Increased cost of City-Wide insurance estimated at 13%.
- Increased cost of utilities of 14.1% based on noticed rate changes.

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.

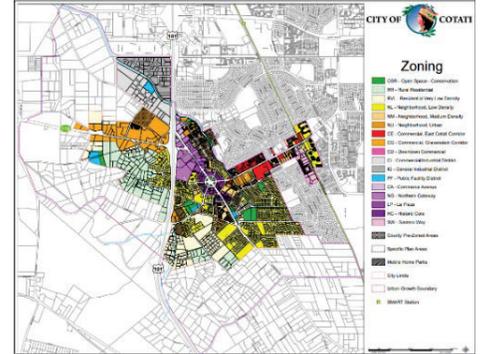
Significant Events and Accomplishments

Financial and Operational Stability

1. Received the Government Finance Officers Association (GFOA) Triple Crown Award for completing awards in the same year for the Distinguished Budget Presentation Award, Certificate of Achievement for Excellence in Financial Reporting, and the Certificate of Outstanding Achievement for Popular Financial Reporting.
2. Collaborated with the City of Rohnert Park to provide joint community services for dog licensing.
3. Implement best practices by transitioning from bi-monthly billing to monthly utility billing, which allows for smaller regular cycled bills for customers.
4. Updated the Legislative System to move away from an end of life system that will no longer be supported by the vendor. This update included a full migration of past public meeting information that allows for greater transparency and accessibility to records of all public meetings.

Economic Development

1. Implemented the 5th cycle housing element program which is used to plan how to meet the housing needs of our community.
2. Initiated the development of an affordable housing administration program and created a senior mobile home park overlay district to support affordable housing within the City.
3. Negotiation & Purchase of 120 East Cotati Avenue and entered a developer engagement to create a right-size mixed affordability complex within the downtown.
4. Continued work on the accessory dwelling unit (ADU) housing by creating a marketing and support program which includes easy to permit pre-approved plans.



Community Safety

1. Police Enforcement: Continue efforts to maintain a safe community including partnering with the City of Rohnert Park and Sonoma State University with the SAFE (Specialized Assistance for Everyone) Team which provides 24/7 mobile mental health crisis responses to both Cities and the University.
2. Updated the Public Safety Messaging Procedures to promote effective communication with the public during future emergencies.
3. Collaborated with the County and evaluated the available mobile and broadband network providers available in the City, developed an ordinance to facilitate improved cellular broadband coverage and outreached to various providers to expand coverage.
4. Discussion and implementation of new Police Oversight Model for the City.
5. Performed an update on the Community Survey on Equity to better evaluate the community's understanding of how the City is meeting community needs.
6. Continued implementation of robust training on de-escalation, implicit bias, and support for individuals in mental health crisis.
7. Continue to maintain and build relationships with residents through support of "National Night Out" and "Coffee with a Cop."
8. Continued collaboration with Sonoma State University safety and dispatch operations.

Infrastructure

1. Completed major infrastructure projects including significant restoration of streets with pavement preservation work with the Redwood Drive and Cypress Ave. Rehabilitation.
2. Installed a water filling station to eliminate the requirement for the use of unmanaged hydrant meter use for construction projects. This change reduces impacts of both pressure fluctuations which can stir sediment, loss of metering equipment that is not returned and unauthorized access to water within our system.
3. Initiated the Active Transportation Plan Update to replace the Bicycle and Pedestrian Master Plan.
4. Continued park revitalization with design of Putnam Park, Civic Center/Cator Field Park, Sunflower Park, and Veronda Falletti Ranch.
5. Initiated the Asset Management uniform request tracking system. This asset-based service order system will allow for better tracking and reporting of maintenance and improvements to City assets.

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, 2023. This marks the fifth 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 their dedication to the City. Finally, we thank the Mayor and City Council for their continuing commitment 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, Neil Tomlinson, and Rosie Speranza. I would also like to thank the Mayor and City Council Members for their support, stewardship and commitment in planning and conducting 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.gov

Respectfully submitted,



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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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 accompanying financial statements of the governmental 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, 2024, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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

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, the required pension and OPEB information schedules, and budgetary comparison information on pages 5-14 and 79-86 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 combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the budgetary comparison schedules 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 introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 January 22, 2025 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.



Badawi and Associates, CPAs
Berkeley, California
January 22, 2025

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, 2024. 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 \$56.0 million (Total net position in the government wide.)
- As of June 30, 2024, the City's governmental activities reported a net position of \$41.5 million (See Table 2).
- As of June 30, 2024, the City's business-type activities reported a net position of \$14.5 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 \$14.5 million.
- Within the governmental funds ending fund balance, \$2.4 million was restricted for capital projects including streets and parks, \$3.5 million is restricted for housing, and \$2.8 million is unassigned. (See Governmental Funds Balance Sheet June 30, 2024).

The General Fund reported total fund balance of \$8.9 million of which \$2.8 million is non-spendable, \$2.5 million is committed for emergencies, \$444 thousand is restricted for park and ride lot, and \$3.2 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 for combining statements that provide details about the City's non-major funds, each of which are added together and presented in single columns in the basic financial statements.

Management Discussion & Analysis

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 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, Grants Fund, City Capital Projects Fund, and the Streets Bond Project 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. Amounts presented in the following tables are rounded to the nearest hundred thousand. For detailed and exact figures, please refer to the full Financial Statements starting at page 18. For comparative purposes, fiscal year ending June 30, 2023, amounts have been restated for the prior period adjustment amount as disclosed in footnote 19.

The following table is a condensed comparative analysis of the net position of governmental and business-type activities as of June 30, 2023, as restated, and June 30, 2024:

TABLE 2
Summary of Net Position
As of June 30, 2023 restated, and 2024
(in million dollars)

	Governmental Activities			Business Type Activities			TOTAL		Change	
	2024	2023	\$ Change	2024	2023	\$ Change	2024	2023	%	\$
ASSETS										
Current Other Assets	\$ 11.5	\$ 18.8	\$ (7.3)	\$ 7.0	\$ 7.3	\$ (0.3)	\$ 18.5	\$ 26.1	(29.1)%	\$ (7.6)
Internal Balances	3.5	3.7	(0.2)	(3.5)	(3.7)	0.2	-	-	0.0%	-
Long Term Receivables	1.2	1.1	0.1	-	-	-	1.2	1.1	9.1%	0.1
Noncurrent Other Assets	2.4	-	2.4	0.7	0.8	(0.1)	3.1	0.8	287.5%	2.3
Capital Assets	41.5	39.0	2.5	12.5	12.5	-	54.0	51.5	4.9%	2.5
Total Assets	60.1	62.6	(2.5)	16.7	16.9	(0.2)	76.8	79.5	(3.4)%	(2.7)
DEFERRED OUTFLOWS OF RESOURCES										
Pension Plan Contributions, OPEB and Timing Differences	4.6	5.6	(1.0)	0.9	1.3	(0.4)	5.5	6.9	(20.3)%	(1.4)
LIABILITIES										
Current Liabilities	2.5	5.3	(2.8)	0.4	0.4	-	2.9	5.7	(49.1)%	(2.8)
Noncurrent Liabilities	15.9	15.8	0.1	1.0	1.2	(0.2)	16.9	17.0	(0.6)%	(0.1)
Total Liabilities	18.4	21.1	(2.7)	1.5	1.6	(0.1)	19.8	22.7	(12.8)%	(2.9)
DEFERRED INFLOWS OF RESOURCES										
Pension Plan, OPEB and Leases Differences in Projections	4.8	4.9	(0.1)	1.7	2.0	(0.3)	6.5	6.9	(5.8)%	(0.4)
NET POSITION										
Invested in Capital Assets	32.9	29.4	3.5	12.5	12.5	-	45.4	41.9	8.4%	3.5
Restricted	10.0	14.3	(4.3)	-	-	-	10.0	14.3	(30.0)%	(4.3)
Unrestricted	(1.4)	(1.6)	0.2	2.0	2.1	(0.1)	0.6	0.5	20.0%	0.1
Total Net Position	\$ 41.5	\$ 42.2	\$ (0.7)	\$ 14.5	\$ 14.6	\$ (0.1)	\$ 56.0	\$ 56.8	(1.4)%	\$ (0.8)

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) decreased by \$0.8 million, or 1.4% 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 has incurred with the lease obligations for the street improvements. The City uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. The \$3.5 million, or 8.4% increase in net investment in capital assets was due to continued work on the streets maintenance and phased rehab. Other capital investments included purchases of updated fleet as the city expands its replacement of aged vehicles with all electric vehicles. These increases in investments in assets were offset by disposal of assets no longer in service.

Restricted Net Position of \$10.0 million represents resources that are subject to external restrictions on their use, or by enabling legislation. Restricted net position is comprised of amounts restricted for housing (\$4.7 million or 48.2%) capital and street projects (\$2.0 million or 20.0%), public safety (\$2.5 million or 26.1%), other restricted (\$0.8 million, or 8.3%). Restricted net position decreased by \$4.3 million, or 30.0%,

Management Discussion & Analysis

primarily due to use of \$2.0 million in funds held in the street bonds project funding and reserved to pay for future streets improvements, and the release of \$1.9 million held in escrow for Caltrans park and ride developments.

Unrestricted Net Position in the amount of \$0.6 million represents a net position of the City that is not restricted for any project or purpose. The increase of \$0.1 million, or 20.0%, was primarily due to the decreased restricted funds for capital projects, housing, and public safety.

Total Assets decreased by \$2.7 million, or 3.4% due to; a decrease in governmental cash equivalents of \$1.9 million held in escrow for the construction of two park and ride lots as well as use of funding for streets construction provided by the 2023 Street Bonds Project Fund which saw a reduction of the cash and cash equivalents balance of \$2.9 million. Other significant changes in assets were made up of increases in capital assets of \$2.5 million or 4.9% over the prior year. Most capital assets were city improvements for streets and parks as described on page 15.

Total Liabilities decreased over the prior year with a change of \$2.9 million or 12.8%. This is primarily due to current liabilities which decreased by \$2.8M or 49.1% from reduced accounts payable and accrued liabilities of approximately \$1.6M and \$0.2M respectively. Payables at the end of the fiscal year fluctuated with the number and cost of projects in process during the close of the fiscal year compared to prior year. The City has also worked on reducing the balance of outstanding deposits on hand thus reducing the deposits by almost \$0.4M or 92.7% over the prior year. For non-current liabilities the City has seen no overall change, year over year. The City has implemented an unfunded pension liability policy and have made additional discretionary payments to minimize the City liability and further reduce the negative amortization of CalPERS losses for fiscal year 2022.

Deferred Outflows of Resources decreased \$1.4 million and *Deferred Inflows of Resources* decreased \$0.4 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, 2023, as restated, and 2024. Numbers provided in the tables are rounded to the nearest hundred thousand and as such may not foot.

TABLE 3
Changes in Net Position
For the Fiscal Years Ended June 30, 2023 restated, and 2024.
(in million dollars)

	Governmental Activities				Business Type Activities				TOTAL			
	2024	2023	% Change	\$ Change	2024	2023	% Change	\$ Change	2024	2023	% Change	\$ Change
REVENUES												
<u>Program Revenues</u>												
Charges for Services	\$ 1.8	\$ 2.1		\$ (0.3)	\$ 5.6	\$ 5.0		\$ 0.6	\$ 7.3	\$ 7.1	4.2 %	\$ 0.3
Operating Grants and Contributions	1.1	1.5		(0.4)	-	-		-	1.1	1.5	(26.7)%	(0.4)
Capital Grants and Contributions	0.7	-		0.7	-	-		-	0.7	-	0.0 %	0.7
<u>General Revenues</u>												
Property Taxes	2.1	2.0		0.1	-	-		-	2.1	2.0	5.0 %	0.1
Sales and Other Taxes	7.6	7.5		0.1	-	-		-	7.6	7.5	1.3%	0.1
Other	0.8	2.8		(2.0)	0.3	0.2		0.1	1.1	3.0	(63.3)%	(1.9)
Total Revenues	14.1	15.9	(11.3)%	(1.8)	5.9	5.2	13.5%	0.7	19.9	21.1	(5.2)%	(1.1)
EXPENSES												
General Government	1.3	3.1		(1.8)	-	-		-	1.3	3.1	(58.1)%	(1.8)
Public Safety	5.0	4.4		0.5	-	-		-	5.0	4.4	11.4 %	0.5
Public Works	4.7	3.5		1.2	-	-		-	4.7	3.5	34.3 %	1.2
Community Development	3.6	1.6		2.0	-	-		-	3.6	1.6	125.0 %	2.0
Interest on Long Term Debt	0.3	0.5		-	-	-		-	0.3	0.5	(40.0)%	(0.2)
Water	-	-		-	2.3	2.3		0.1	2.3	2.3	4.3 %	0.1
Sewer	-	-		(0.2)	3.6	3.8		(0.2)	3.6	3.8	(5.3)%	(0.2)
Total Expenses	14.8	13.1	13.0%	11.7	6.0	6.1	(1.6)%	(0.1)	20.8	19.2	8.3 %	1.6
Revenue over (under) expenses	(0.7)	2.8		(5.7)	(0.1)	(0.9)		0.8	(0.8)	1.9	(142.1)%	(2.7)
Change in net position	(0.7)	2.8	(125.0)%	(4.7)	(0.1)	(0.9)	(88.9)%	0.8	(0.8)	1.9	(142.1)%	(2.7)
Net position, beginning of period, as restated	42.2	39.4		2.8	14.6	15.5		(0.9)	56.8	54.9	3.5%	1.9
Net position, end of period	\$ 41.5	\$ 42.2	(1.7)%	\$ (1.8)	\$ 14.5	\$ 14.6	(0.7)%	\$ (0.1)	\$ 56.0	\$ 56.8	(1.4)%	\$ (0.8)

Management Discussion & Analysis

Analysis of the changes in Net Position

Governmental and Business Type Activities decreased the City's net position by \$0.8 million, or 1.4% to \$56.0 million for the year ended June 30, 2024, with Governmental Activities accounting for 74.1% of the City's total net position. These changes are discussed in more detail below.

Analysis of Governmental Activities

Governmental activities: Net position of the City's governmental activities decreased by \$0.7 million to \$41.5 million in the current year.

Revenues: Total revenues for governmental activities decreased by \$1.8 million or 11.3% 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 remained nearly the same as previous year.

- Charges for services decreased by \$0.3 million mainly due to fewer building permits being issued as ongoing projects have been completed.
- Operating grants and contributions decreased by \$0.4 million, while Capital grants and contributions increased by \$0.7 million, primarily related to the one-time grant funds received in fiscal year 2023/24 mainly for Public Works grants for streets projects.

General Revenues had an overall decrease of approximately \$1.8 million or 14.6% due to Sales and other taxes increases of \$0.2 million and other revenue decreases of \$2.0 million. The increase in taxes was due to changes in consumer spending post COVID-19 on transactions. Other revenues change of \$2.0 million was directly due to the prior year one time revenue from the proceeds from the sale of the St. Josephs Way park and ride lot for \$2.0 million. These decreases were offset by a small Property taxes increases of \$0.1 million. Property tax increases are consistent with the valuations of property assessments and inclusion of new housing developments at higher valuations. Other changes in revenues were derived from increased interest and rents which as a result of investment management as well as increased demands for facility rental fees following the closures that occurred during COVID-19.

Expenses Total expenses for governmental activities increased \$1.7 million from the prior year, a 13.0% increase. The primary reason for this increase is due to the \$2.0 million increase in community development and related to the \$1.65 million land purchase at La Plaza for use as an affordable housing project. Additionally, Community Development provided more State Mandated Projects around housing development which required more consultants work previously not required. Additionally, there was a \$1.2 or 25% increase in Public Works expenses related to the ongoing street improvement projects. Interest and expenses on long-term debt decreased by \$0.1 million or 20.0% due to decreased interest payable following the full draw down of the Streets Bonds Project Fund in 2022/23.

Analysis of Business Type Activities

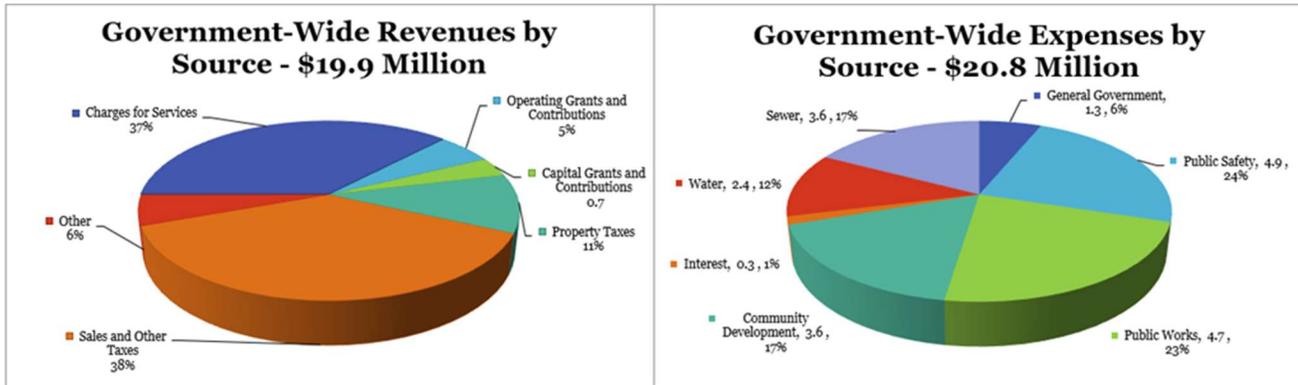
These resources cannot be used for governmental activities, as they are restricted for the continuing operations of the water and wastewater systems. The net position of business-type activities decreased by \$0.1 million, or 0.7% to \$14.5 million due to the following:

Revenues: Total revenues for business-type activities increased \$0.7 million or 13.5% due to continued lower water consumption offset by increased fees as established with our Water and Wastewater Rate Plan. There was also decreased consumption related to Wastewater, as the consumption average is based during the drought period reductions. This decreased consumption is offset by the increased base and consumption rate charges for service.

Expenses: Total expenses for business-type activities decreased by approximately \$0.1 million or 1.6%. This decrease is primarily due to lower payments for debt service to the general government funds and staffing in public works at less than 100% for half of the year.

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, 2024, of \$14.5 million, a decrease of \$4.0 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, 2024).

The General Fund is the chief operating fund of the City and the overall fund balance decreased by just under \$1.3 million or 19.8%. This decrease is mostly attributed to the prior year's miscellaneous one-time proceeds of approximately \$2.0 million derived from the sale of property in the prior year which in the current year expended within as transfers out reserved for use in the development and construction of replacement park and ride lots in neighboring City's per contract with CalTrans. The transfers out were offset by increased transfers related to interfund debt service payment from the grants funds for reimbursements back to the general fund from prior years expenditure coverage before grant funds could be received. Intergovernmental revenues increased by \$0.3M over the prior year due to renegotiated contracts with Sonoma State University for dispatching services as well as receipt of outstanding state mandated costs from the state under SB90.

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

- Inclusionary Housing Fund with a year-end fund balance of almost \$3.2 million, an increase of \$0.08 million due to outstanding interest accruals for the outstanding affordable housing loans to Burbank Housing. This balance is fully reserved for affordable housing.
- Low Income Housing Fund is a major fund as it holds significant balances of notes receivable for affordable projects that were developed within the City. As the interest earnings are accrued but then deferred for future low-income housing projects the fund does not carry a fund balance.
- Grants Fund has a year-ending fund balance of less than \$8,500. This minor balance is due to transfers of funds from the General Fund for matching grant purposes. These funds are expected to be expended within the next fiscal year.
- The City Capital Projects Fund with a year-end fund balance of almost \$0.3 million, which is a 37.6% increase from the prior year. This fund balance is retained for fiscal year 2024/25 streets 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, 2024.

The City's non-major funds ended Fiscal Year 2023/24 with a fund balance of just under \$2.1 million, a decrease of \$2.9 million. This is mainly due to the restatement of the Streets Bond Fund, as those funds have been expended for ongoing City street projects. Most of the remaining balances are restricted for use on street capital projects (\$1.7 million) and affordable housing projects (\$0.3 million). (See Statement of Revenues Expenditures and Changes in Fund Balance Government Funds for the year ending June 30, 2024).

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 mid-year 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 \$0.3 million, while actual operating expenditures exceeded budget by \$0.3 million due to previously encumbered funds for contract services being released. The final ending fund balance for the fiscal year compared to the final budget had a positive variance of \$4.7 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 fiscal year 2023/24, the City had invested \$54.0 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:

- City Streets Rehabilitation and Maintenance for \$2,289,774
- Police Department Electric Vehicle procurement and Upfitting \$159,000

The City's Capital Assets as of June 30, 2023 as restated, and 2024 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, 2023 restated and 2024
(in million dollars)

	Governmental Activities		Business Type Activities		TOTAL			
	2024	2023	2024	2023	2024	2023	% Change	\$ Change
Capital assets								
Land	\$ 8.6	\$ 8.6	\$ -	\$ -	\$ 8.6	\$ 8.6	0 %	\$ -
Construction in progress	3.8	5.1	0.6	-	4.4	5.1	(13.7)%	(0.7)
Buildings	11.0	10.6	-	-	11.0	10.6	3.8 %	0.4
Vehicles	2.0	2.0	0.1	0.1	2.1	2.1	- %	-
Equipment	0.8	0.7	0.1	0.1	0.9	0.8	12.5 %	0.1
Water and Sewer Lines	-	-	20.3	20.3	20.3	20.3	- %	-
Improvements	35.6	29.8	1.3	1.3	36.9	31.1	18.6%	5.8
Total Capital Assets	\$ 61.8	\$ 56.8	\$ 22.4	\$ 21.8	\$ 84.2	\$ 78.6	7.1 %	\$ 5.6

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

Long-term Obligations

2023 Lease Obligations

As of June 30, 2024, the City holds lease obligation debt in the amount just under \$10.8 million, of which approximately \$0.5 million is considered a current liability. The 2022A Lease obligation was for \$7.7 million for street improvements and the 2022B Lease obligation in the amount of \$4.0 million was for a CalPERS UAL Prepayment. See footnote 8 within the basic financial statements for further detail.

Compensated absences:

As of June 30, 2024, approximately \$0.5 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. Of this balance approximately \$0.4 million was assumed due within one year and classified as a current liability. See footnote 7 for further detail.

Net Pension and Other Post-Employment Benefits (OPEB) Liability

GASB Statement No. 68 significantly revamped the accounting and financial reporting for government employees 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 \$6.3 million to be reported on the statement of net position for the City, \$5.3 million for governmental activities and \$1.0 for business-type activities, as of June 30, 2024. More detailed information about the Cities defined benefit pension plans is included in footnote 10.

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, 2024 (see Statement of Net Position). More detailed information about the Cities other post-employment benefits at footnote 11.

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 2024/25 budget which includes the Five-Year Capital Improvement Program budget can be found at <https://www.cotaticity.gov/188/City-Budgets>.

The budget was based on these key assumptions:

- Property Tax - The budget projection for 2024/25 assumes 3.1% increases in property tax collections, due to improved resale market and county assessor appraisals.
- Sales Tax (Bradley Burns and Measure S) - The budget projection for 2024/25 assumes continued modest decline due to decreased sales subject to sales tax for the year.
- Water and Wastewater revenues increase slightly due to increased rates offset by continued decreased consumption and connection fees due to uncertain timing of new development projects.
- Usage of up to \$3.4 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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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Cotati
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,305,187	\$ 6,363,898	\$ 14,669,085
Restricted cash	443,980	16,314	460,294
Net receivables	2,701,341	550,368	3,251,709
Leases receivable - due within one year	28,566	33,831	62,397
Internal balances	3,513,109	(3,513,109)	-
Prepayments	32,988	58,095	91,083
Total current assets	15,025,171	3,509,397	18,534,568
Noncurrent assets:			
Long-term notes receivable	1,216,850	-	1,216,850
Leases receivable	694,576	703,610	1,398,186
Property held for resale	1,650,000	-	1,650,000
Capital assets:			
Nondepreciable	12,479,763	583,349	13,063,112
Depreciable, net	29,060,190	11,896,357	40,956,547
Total capital assets	41,539,953	12,479,706	54,019,659
Total noncurrent assets	45,101,379	13,183,316	58,284,695
Total assets	60,126,550	16,692,713	76,819,263
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	4,379,630	937,832	5,317,462
Deferred outflows of resources - OPEB	169,665	-	169,665
Total deferred outflows of resources	4,549,295	937,832	5,487,127

City of Cotati
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	801,478	110,522	912,000
Accrued liabilities	721,294	55,064	776,358
Unearned revenue	21,707	-	21,707
Compensated absences	250,719	157,844	408,563
Deposits	28,090	85,190	113,280
Accrued interest payable	124,249	-	124,249
Lease liability - due within one year	515,440	-	515,440
Total OPEB liability - due within one year	11,811	-	11,811
Total current liabilities	2,474,788	408,620	2,883,408
Noncurrent liabilities:			
Lease liability	10,343,390	-	10,343,390
Compensated absences	103,535	40,986	144,521
Net pension liability	5,247,051	1,010,748	6,257,799
Total OPEB liability	204,280	-	204,280
Total noncurrent liabilities	15,898,256	1,051,734	16,949,990
Total liabilities	18,373,044	1,460,354	19,833,398
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - leases	718,217	728,135	1,446,352
Deferred inflows of resources - pension	3,839,957	939,044	4,779,001
Deferred inflows of resources - OPEB	227,746	-	227,746
Total deferred inflows of resources	4,785,920	1,667,179	6,453,099
NET POSITION			
Net investment in capital assets	32,865,142	12,479,706	45,344,848
Restricted for:			
Capital projects	311,908	-	311,908
Housing	4,664,591	-	4,664,591
Building	69	-	69
Public safety	2,521,681	-	2,521,681
Park and ride lot	708,703	-	708,703
Streets	1,716,440	-	1,716,440
Public communications	90,609	-	90,609
Total restricted	10,014,001	-	10,014,001
Unrestricted	(1,362,262)	2,023,306	661,044
Total net position	\$ 41,516,881	\$ 14,503,012	\$ 56,019,893

City of Cotati
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 1,264,167	\$ 947,169	\$ 469,988	\$ -	\$ 1,417,157
Public safety	4,951,027	376,105	538,236	-	914,341
Community development	3,562,140	349,934	75,123	-	425,057
Public works	4,727,368	96,235	36,558	680,046	812,839
Interest expense on long-term debt	302,939	-	-	-	-
Total governmental activities	14,807,641	1,769,443	1,119,905	680,046	3,569,394
Business-type activities					
Water	2,346,268	2,249,182	-	-	2,249,182
Wastewater	3,620,353	3,322,913	-	-	3,322,913
Total business-type activities	5,966,621	5,572,095	-	-	5,572,095
Total primary government	\$ 20,774,262	\$ 7,341,538	\$ 1,119,905	\$ 680,046	\$ 9,141,489

General Revenues:

Taxes:

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

Total taxes

Interest and rents

Gain (loss) from sale of capital assets

Total general revenues

Change in net position

Net position - beginning of year, as previously stated

Restatement

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
\$ 152,990	\$ -	\$ 152,990
(4,036,686)	-	(4,036,686)
(3,137,083)	-	(3,137,083)
(3,914,529)	-	(3,914,529)
(302,939)	-	(302,939)
(11,238,247)	-	(11,238,247)
-	(97,086)	(97,086)
-	(297,440)	(297,440)
-	(394,526)	(394,526)
(11,238,247)	(394,526)	(11,632,773)
2,110,629	-	2,110,629
6,091,096	-	6,091,096
758,619	-	758,619
678,468	-	678,468
30,629	-	30,629
9,669,441	-	9,669,441
810,670	278,468	1,089,138
26,696	-	26,696
10,506,807	278,468	10,785,275
(731,440)	(116,058)	(847,498)
43,248,470	14,619,070	57,867,540
(1,000,149)	-	(1,000,149)
42,248,321	14,619,070	56,867,391
\$ 41,516,881	\$ 14,503,012	\$ 56,019,893

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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.

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

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.

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City of Cotati
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds						
	General Fund	Inclusionary	Low Income	Grants Fund	City Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
		Housing Fund	Housing Fund				
ASSETS							
Cash and investments	\$ 3,853,809	\$ 751,453	\$ 1,084	\$ 311,279	\$ 467,257	\$ 2,335,388	\$ 7,720,270
Restricted cash	443,980	-	-	-	-	-	443,980
Taxes receivable	1,175,532	-	-	-	-	45,124	1,220,656
Accounts receivable	247,706	24,718	-	903,487	15,695	55,073	1,246,679
Leases receivable	723,142	-	-	-	-	-	723,142
Due from other governments	30,797	-	-	201,622	-	-	232,419
Interfund loans	2,774,106	739,003	-	-	-	-	3,513,109
Due from other funds	786,451	-	-	-	-	-	786,451
Property held for resale	-	1,650,000	-	-	-	-	1,650,000
Notes receivable	10,402	-	1,206,448	-	-	-	1,216,850
Prepayments	25,054	-	-	-	-	7,934	32,988
Total assets	\$ 10,070,979	\$ 3,165,174	\$ 1,207,532	\$ 1,416,388	\$ 482,952	\$ 2,443,519	\$ 18,786,544
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 197,837	\$ -	\$ -	\$ 191,683	\$ 68,393	\$ 343,565	\$ 801,478
Accrued liabilities	166,623	-	-	433,915	116,169	3,000	719,707
Unearned revenue	16,721	-	-	-	-	4,986	21,707
Deposits	28,090	-	-	-	-	-	28,090
Due to other funds	-	-	-	782,323	-	4,128	786,451
Total liabilities	409,271	-	-	1,407,921	184,562	355,679	2,357,433
Deferred inflows of resources:							
Related to leases	718,217	-	-	-	-	-	718,217
Unavailable revenues	-	-	1,207,536	-	-	-	1,207,536
Total deferred inflows of resources	718,217	-	1,207,536	-	-	-	1,925,753
Fund Balances:							
Nonspendable	2,809,562	-	-	-	-	7,934	2,817,496
Restricted for affordable housing	-	3,165,174	-	-	-	317,004	3,482,178
Restricted for public safety	-	-	-	-	-	25,714	25,714
Restricted for streets	-	-	-	-	-	1,716,440	1,716,440
Restricted for park and ride lot	443,980	-	-	-	-	264,723	708,703
Restricted for public education	-	-	-	-	-	90,609	90,609
Restricted for capital projects	-	-	-	8,467	-	5,051	13,518
Committed for capital projects	-	-	-	-	298,390	-	298,390
Committed for veterans building	-	-	-	-	-	69	69
Committed for emergencies	2,495,967	-	-	-	-	-	2,495,967
Unassigned	3,193,982	-	(4)	-	-	(339,704)	2,854,274
Total fund balances	8,943,491	3,165,174	(4)	8,467	298,390	2,087,840	14,503,358
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,070,979	\$ 3,165,174	\$ 1,207,532	\$ 1,416,388	\$ 482,952	\$ 2,443,519	\$ 18,786,544

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, 2024

Total Fund Balances - Total Governmental Funds \$ 14,503,358

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. 1,182,413

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	\$ 12,479,763	\$ -	12,479,763
Depreciable, net	29,060,190	(534,732)	28,525,458
Total capital assets	\$ 41,539,953	\$ (534,732)	41,005,221

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. 765,395

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. 25,123

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	4,379,630
Deferred outflows of resources related to OPEB	169,665
Deferred inflows of resources related to pension	(3,839,957)
Deferred inflows of resources related to OPEB	(227,746)

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

Lease liability - due within one year	\$ (515,440)	\$ -	(515,440)
Lease liability - due in more than one year	(10,343,390)	-	(10,343,390)
Interest payable	(124,249)	-	(124,249)
Net pension liability - due in more than one year	(5,247,051)	-	(5,247,051)
Total OPEB liability - due within one year	(11,811)	-	(11,811)
Total OPEB liability - due in more than one year	(204,280)	-	(204,280)
Total long-term liabilities	\$ (16,446,221)	\$ -	(16,446,221)

Net Position of Governmental Activities \$ 41,516,881

City of Cotati
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	Major Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Inclusionary Housing Fund	Low Income Housing Fund	Grants Fund	City Capital Project Fund	Streets Bonds Project Fund		
REVENUES:								
Property taxes	\$ 2,070,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,188	\$ 2,110,629
Sales taxes	5,900,184	-	-	-	-	-	190,913	6,091,097
Other taxes	789,248	-	-	-	-	-	-	789,248
Licenses and permits	774,321	-	-	-	-	-	-	774,321
Intergovernmental	306,612	-	-	563,183	-	-	411,861	1,281,656
Charges for services	723,735	-	-	-	169,584	-	101,803	995,122
Interest and rents	433,876	92,236	-	-	16,072	-	239,980	782,164
Miscellaneous	69,700	4,083	-	904,804	-	-	193,052	1,171,639
Total revenues	11,068,117	96,319	-	1,467,987	185,656	-	1,177,797	13,995,876
EXPENDITURES:								
Current:								
General government	1,333,136	7,333	-	-	-	-	24,700	1,365,169
Public safety	4,676,214	-	-	134,652	-	-	17,093	4,827,959
Community development	1,030,955	-	-	132,046	2,338,560	-	2,829	3,504,390
Public works	1,881,678	9,950	-	3,054,862	-	-	93,468	5,039,958
Capital outlay	-	-	-	1,111,216	1,362,694	-	1,500	2,475,410
Debt service:								
Principal	-	-	-	-	-	-	501,110	501,110
Interest	-	-	-	-	-	-	308,865	308,865
Total expenditures	8,921,983	17,283	-	4,432,776	3,701,254	-	949,565	18,022,861
REVENUES OVER (UNDER) EXPENDITURES	2,146,134	79,036	-	(2,964,789)	(3,515,598)	-	228,232	(4,026,985)
OTHER FINANCING SOURCES (USES):								
Proceeds from sale of property	12,132	-	-	-	-	-	-	12,132
Transfers in	872,303	-	-	2,990,119	3,597,061	-	830,230	8,289,713
Transfers (out)	(4,310,359)	-	-	(50,000)	-	-	(3,929,354)	(8,289,713)
Total other financing sources (uses)	(3,425,924)	-	-	2,940,119	3,597,061	-	(3,099,124)	12,132
Net change in fund balances	(1,279,790)	79,036	-	(24,670)	81,463	-	(2,870,892)	(4,014,853)
FUND BALANCES:								
Beginning of year, as previously stated	10,223,281	3,086,138	(4)	33,137	216,927	3,363,337	1,595,395	18,518,211
Restatement - change in major funds	-	-	-	-	-	(3,363,337)	3,363,337	-
Beginning of year, as restated	10,223,281	3,086,138	(4)	33,137	216,927	-	4,958,732	18,518,211
End of year	\$ 8,943,491	\$ 3,165,174	\$ (4)	\$ 8,467	\$ 298,390	\$ -	\$ 2,087,840	\$ 14,503,358

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (4,014,853)
---	-----------------------

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.

	25,123
--	--------

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.

	4,990,632
--	-----------

Depreciation/Amortization 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.

	(2,533,000)
--	-------------

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.

Special assessment bonds activity	501,110
-----------------------------------	---------

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

	18,535
--	--------

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.

	163,886
--	---------

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.

	2,822
--	-------

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.

	108,379
--	---------

Interest payments are recorded as expenditures in the governmental funds, however interest expense is recognized as expenses are incurred on the Government-Wide Statement of Activities

	5,926
--	-------

Change in Net Position of Governmental Activities	\$ (731,440)
--	---------------------

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, 2024

	Business-type Activities			Governmental
	Water	Wastewater	Total Enterprise Funds	Internal Service
				Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,486,691	\$ 2,877,207	\$ 6,363,898	\$ 584,917
Restricted Cash	-	16,314	16,314	-
Accounts receivable	214,819	326,431	541,250	1,587
Leases receivable - due within one year	-	33,831	33,831	-
Notes receivable	4,027	5,091	9,118	-
Prepayments	56,993	1,102	58,095	-
Total current assets	3,762,530	3,259,976	7,022,506	586,504
Noncurrent assets:				
Leases receivable	-	703,610	703,610	-
Capital assets:				
Nondepreciable:				
	62,968	520,381	583,349	-
Depreciable				
Reservoirs	1,650,972	-	1,650,972	-
Pipelines and meters	6,094,058	11,134,308	17,228,366	-
Water wells	1,451,506	-	1,451,506	-
Improvements	1,086,796	224,807	1,311,603	-
Equipment	40,693	84,871	125,564	1,951,584
Less accumulated depreciation	(5,880,051)	(3,991,603)	(9,871,654)	(1,416,852)
Net capital assets	4,506,942	7,972,764	12,479,706	534,732
Total noncurrent assets	4,506,942	8,676,374	13,183,316	534,732
Total assets	8,269,472	11,936,350	20,205,822	1,121,236
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	468,916	468,916	937,832	-
Total deferred outflows of resources	468,916	468,916	937,832	-

City of Cotati
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities			Governmental
	Water	Wastewater	Total Enterprise Funds	Internal Service
				Funds
LIABILITIES				
Current liabilities:				
Accounts payable	87,778	22,744	110,522	-
Accrued liabilities	19,385	35,679	55,064	1,587
Due to other funds	-	-	-	-
Compensated absences - due within one year	78,922	78,922	157,844	250,719
Interfund loans	57,950	101,348	159,298	-
Deposits	85,190	-	85,190	-
Total current liabilities	329,225	238,693	567,918	252,306
Noncurrent liabilities:				
Interfund loans	1,358,932	1,994,879	3,353,811	-
Compensated absences	20,493	20,493	40,986	103,535
Net pension liability	505,374	505,374	1,010,748	-
Total noncurrent liabilities	1,884,799	2,520,746	4,405,545	103,535
Total liabilities	2,214,024	2,759,439	4,973,463	355,841
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases receivable	-	728,135	728,135	-
Deferred inflows of resources - pension	469,522	469,522	939,044	-
Total deferred inflows of resources	469,522	1,197,657	1,667,179	-
NET POSITION				
Net investment in capital assets	4,506,942	7,972,764	12,479,706	534,732
Unrestricted	1,547,900	475,406	2,023,306	230,663
Total net position	\$ 6,054,842	\$ 8,448,170	\$ 14,503,012	\$ 765,395

City of Cotati
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities			Governmental
	Water	Wastewater	Total Enterprise Funds	Internal Service
				Funds
OPERATING REVENUES:				
Charges for services	\$ 2,248,851	\$ 3,322,913	\$ 5,571,764	\$ 430,809
Other operating revenues	331	-	331	-
Total operating revenues	2,249,182	3,322,913	5,572,095	430,809
OPERATING EXPENSES:				
Personnel services	642,400	643,128	1,285,528	208,556
Contractual services	329,691	172,505	502,196	-
Intergovernmental treatment costs	-	2,348,951	2,348,951	-
Utilities	107,106	22,375	129,481	-
Purchased water	601,734	-	601,734	-
Supplies and materials	289,817	144,979	434,796	-
Depreciation	375,520	288,415	663,935	156,944
Total operating expenses	2,346,268	3,620,353	5,966,621	365,500
OPERATING INCOME (LOSS)	(97,086)	(297,440)	(394,526)	65,309
NONOPERATING REVENUES (EXPENSES):				
Proceeds from sale of capital assets	-	-	-	14,564
Interest and investment revenues	177,010	169,594	346,604	28,506
Interest expense	(23,018)	(45,118)	(68,136)	-
Total nonoperating revenues (expenses)	153,992	124,476	278,468	43,070
Income before contributions and transfers	56,906	(172,964)	(116,058)	108,379
Change in net position	56,906	(172,964)	(116,058)	108,379
NET POSITION:				
Beginning of year	5,997,936	8,621,134	14,619,070	657,016
End of year	\$ 6,054,842	\$ 8,448,170	\$ 14,503,012	\$ 765,395

City of Cotati
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities			Governmental
	Water	Wastewater	Total	Internal
			Enterprise Funds	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,372,852	\$ 3,459,254	\$ 5,832,106	\$ -
Interfund charges for services	-	-	-	430,809
Payments to suppliers	(1,283,759)	(2,689,391)	(3,973,150)	(116,953)
Payments to employees	(2,171,013)	(2,075,029)	(4,246,042)	(154,842)
Net cash provided by (used in) operating activities	(1,081,920)	(1,305,166)	(2,387,086)	159,014
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund interest	(23,018)	(45,118)	(68,136)	-
Repayments of interfund balances	1,416,882	1,312,795	2,729,677	-
Net cash provided by (used in) noncapital financing activities	1,393,864	1,267,677	2,661,541	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	-	-	-	14,564
Purchase of capital assets	(103,661)	(520,380)	(624,041)	(159,016)
Net cash provided by (used in) capital and related financing activities	(103,661)	(520,380)	(624,041)	(144,452)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest receipts	177,011	169,594	346,605	28,506
Net cash provided by (used in) investing activities	177,011	169,594	346,605	28,506
Net cash flows	385,294	(388,275)	(2,981)	43,068
CASH AND CASH EQUIVALENTS - Beginning of year	3,101,397	3,281,796	6,383,193	541,849
CASH AND CASH EQUIVALENTS - End of year	\$ 3,486,691	\$ 2,893,521	\$ 6,380,212	\$ 584,917
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (97,086)	\$ (297,440)	\$ (394,526)	\$ 65,309
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	375,520	288,415	663,935	156,944
Changes in assets and liabilities:				
Receivables, net	123,256	165,815	289,071	2,627
Prepayments	26,084	25,306	51,390	-
Due from other governments	1,762	39,872	41,634	-
Accounts payable	14,865	(8,013)	6,852	(116,953)
Accrued liabilities	3,640	(17,874)	(14,234)	-
Net pension liability	(67,392)	(32,719)	(100,111)	-
Other liabilities	(1,462,569)	(1,468,528)	(2,931,097)	51,087
Net cash provided by (used in) operating activities	\$ (1,081,920)	\$ (1,305,166)	\$ (2,387,086)	\$ 159,014

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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.

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City of Cotati
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Private Purpose Trust	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 1,838,016	\$ 345,563
Cash with trustees	1,076	294,676
Prepayments	169	-
Tax receivable	-	447
Accounts receivable	427	-
Assessments receivable	-	-
Notes receivable	1,519,071	-
Capital assets:		
Land	287,048	-
Total assets	3,645,807	640,686
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on debt refunding	76,964	-
Total deferred outflows of resources	76,964	-
LIABILITIES		
Accounts payable	66,668	-
Accrued liabilities	4,948	-
Interest payable	22,546	-
Tax allocation bonds - due within one year	672,278	-
Tax allocation bonds - due more than one year	6,318,676	-
Total liabilities	7,085,116	-
NET POSITION (DEFICIT):		
Held in trust for :		
Successor agency	(3,362,345)	-
Bondholders	-	640,686
Total net position (deficit)	\$ (3,362,345)	\$ 640,686

City of Cotati
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2024

	Private Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Net investment income	\$ 7,167	\$ -
Assessment revenue	-	128,843
Interest and rent	-	1,443
Interest on long-term notes	25,500	-
Distributions for enforceable obligations	833,510	-
Total additions	866,177	130,286
DEDUCTIONS:		
Bond interest	92,337	95,160
Administrative costs	136,483	4,354
Payments on pass-through agreements	67,074	-
Bond disclosure	3,000	-
Bond trustee	9,305	-
Total deductions	308,199	99,514
Change in net position	557,978	30,772
NET POSITION (DEFICIT):		
Beginning of year	(3,920,323)	609,914
End of year	\$ (3,362,345)	\$ 640,686

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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.

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

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

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.

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.

Grants Fund – is a fund which was established to account for the 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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

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.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

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.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash and Investments, Continued

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 or Level 3 inputs as of June 30, 2024.

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, 2024

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.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. *Deferred Outflows/Inflows of Resources, Continued*

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.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position and Fund Balances, Continued

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.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Report Date	June 30, 2024

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 2024, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 100, Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62 - The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement applied to the City for the current fiscal year.
- GASB Statement No. 101, Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City decided to implement in the current fiscal year.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024:

	Government-Wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and investments	\$ 8,305,187	\$ 6,363,898	\$ 2,183,579	\$ 16,852,664
Restricted Cash	443,980	16,314	-	460,294
Cash with trustees	-	-	295,752	295,752
Total cash and investments	\$ 8,749,167	\$ 6,380,212	\$ 2,479,331	\$ 17,608,710

Cash and investments at June 30, 2024 consist of the following:

Pooled deposits	\$ 178,579
Total cash on hand and deposits	178,579
Local Agency Investment Funds (LAIF)	11,802
Sonoma County Investment Pool	197,207
California Asset Management Program (CAMP)	8,724,821
U.S. Treasury Bill	632,507
Liquidity Plus Program - Class Y	34,625
U.S. Treasury Bond / Note	790,936
Federal Agency Bond / Note	3,095,412
Corporate Bond / Note	3,186,775
Total investments	16,674,085
Total City Treasury	16,852,664
Investments with trustees	295,752
Cash held in escrow	460,294
Total cash and investments	\$ 17,608,710

B. Deposits

The carrying amount of the City's cash deposit was \$178,579 as of June 30, 2024. Bank balances before reconciling items were a positive amount of \$2,346,220 at June 30, 2024. 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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

B. Deposits, Continued

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.

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	Investment in One Issuer
Bank/Time Deposits	5 years	N/A	None	None
Treasury Obligations (bills, notes, & bonds)	5 years	N/A	100%	N/A
U.S. Government Agency and Federal Agency Securities	5 years	N/A	100%	N/A
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	N/A	30%	N/A
Local Agency Investment Fund (LAIF)	Upon Demand	N/A	Per Statute	N/A
Sonoma County Investment Pool (SCIP)	Upon Demand	N/A	Per Statute	N/A
Joint Powers Authority Pool	N/A	Per Statute	None	N/A
California Asset Management Program (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%
Placement Service Deposits	5 years	N/A	50%	N/A
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, 2024:

Interest income	\$ 598,577
Unrealized gain (loss) on changes in fair value of investments	37,792
Total investment income	<u>\$ 636,369</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

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

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.

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, 2024 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, 2024, the City had \$1 invested in LAIF, which had invested 3.00% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.78% in the previous year. The LAIF fair value factor of 0.996316042 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.

The City also participated in the California Asset Management Program (CAMP) which seeks to maintain a constant net asset value (NAV) per share of \$1.00. The City had \$8,724,821 invested in CAMP as of June 30, 2024.

The City held cash in escrow in the amount of \$443,980 with an agreement with Caltrans to sell a property used as a park and ride lot within the City of Cotati and replacing it with two other park-and-ride lots within the County. The property sold is to be developed into a hotel with the objective of improved economic development. The city also held cash in escrow in the amount of \$16,314 from the Cypress Avenue Sewer Replacement Project.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

Investments held in the City Treasury grouped by maturity date at June 30, 2024 are as follow:

Investment Type	Total	Investment Maturities (in Months)		
		12 Months or less	13 to 24 Months	More than 24 Months
Local Agency Investment Fund (LAIF)	\$ 11,802	\$ 11,802	\$ -	\$ -
Sonoma County Investment Pool	197,207	197,207	-	-
California Asset Management Program (CAMP)	8,724,821	8,724,821	-	-
U.S. Treasury Bill	632,507	632,507	-	-
Liquidity Plus Program - Class Y	34,625	34,625	-	-
U.S. Treasury Bond / Note	790,936	-	-	790,936
Federal Agency Bond / Note	3,095,412	1,548,940	793,440	753,032
Corporate Bond / Note	3,186,775	978,289	982,347	1,226,139
Total	\$ 16,674,085	\$ 12,128,191	\$ 982,347	\$ 2,017,075

The following table identifies the Standard & Poor's credit quality ratings for those investments requiring this disclosure as of June 30, 2024:

Type of Investment	Rating	Total
Federal Agency Bonds / Notes	AA+	\$ 3,095,412
Not Applicable:		
U.S. Treasury Bond / Note		790,936
Not Rated:		
State Local Agency Investment Fund		11,802
Sonoma County Investment Pool		197,207
California Asset Management Program (CAMP)		8,724,821
Liquidity Plus Program - Class Y		34,625
U.S. Treasury Bill		632,507
Corporate Bond / Note		3,186,775
Total Investments		\$ 16,674,085

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 AA+ by the Standard & Poor. 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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

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. The Sonoma County Investment Pool, the State of California Local Agency Investment Fund Pool, the CAMP, the U.S. Treasury Bill, and the Liquidity Plus Program - Class Y are not subject to levelling.

The following is a summary of the fair value measurements as of June 30, 2024:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value hierarchy				
U.S. Treasury Bond / Note	\$ 790,936	\$ -	\$ 790,936	\$ -
Federal Agency Bond / Note	3,095,412	-	3,095,412	-
Corporate Bond / Note	3,186,775	-	3,186,775	-
Total investments by fair value hierarchy	7,073,123	\$ -	\$ 7,073,123	\$ -
Investments not subject to fair value hierarchy				
State Local Agency Investment Fund	11,802			
Sonoma County Investment Pool	197,207			
California Asset Management Program (CAMP)	8,724,821			
U.S. Treasury Bill	632,507			
Liquidity Plus Program - Class Y	34,625			
Total investments not subject to fair value hierarchy	9,600,962			
Total investments measured at fair value	\$ 16,674,085			

F. Cash and Investments Held in Trust

The Cash and investments of the Successor Agency at June 30, 2024 consisted of \$1,838,016 in bank deposits held by the City.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. INTERFUND ACTIVITIES

A. Due To/From Other Funds

At June 30, 2024, the City had the following due to/from other funds:

Due To	Due From
	General Fund
Grants Fund	\$ 782,323
Nonmajor Governmental Funds	4,128
Total	\$ 786,451

B. Advances to/From Other Funds

At June 30, 2024, the City had the following advances to/from other funds:

Advance To	Advance From		
	Water	Wastewater	Total
General Fund	\$ 1,416,882	\$ 1,357,224	\$ 2,774,106
Inclusionary Housing Fund	-	739,003	739,003
Total	\$ 1,416,882	\$ 2,096,227	\$ 3,513,109

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%.

On September 1, 2022, the City initiated an inter-fund loan between General fund to the Wastewater Fund and Water fund for \$948,220 and \$989,900 to be repaid over a period of 15 years in semi-annual installments of \$38,098 and \$39,773 at an annual interest rate of 2.5% as a repayment for CalPERS unfunded accrued liability financed portion from general fund.

C. Transfers

During the year ended June 30, 2024, the City had the following transfers in/out:

Transfers Out	Transfers In				Total
	General Fund	Grants Fund	City Capital Projects Fund	Nonmajor Governmental	
General Fund	\$ -	\$ 651,576	\$ 2,930,323	\$ 728,460	\$ 4,310,359
Grants Fund	50,000	-	-	-	50,000
Nonmajor Governmental Funds	822,303	2,338,543	666,738	101,770	3,929,354
Total	\$ 872,303	\$ 2,990,119	\$ 3,597,061	\$ 830,230	\$ 8,289,713

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

3. INTERFUND ACTIVITIES, Continued

C. Transfers, Continued

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, 2024:

Description	Balance as of June 30, 2024	Accrued interest	Total Receivable
Note receivable, original principal \$370,000	\$ 370,000	\$ 287,497	\$ 657,497
Note receivable, original principal \$397,000	397,000	151,951	548,951
Note receivable, original principal \$11,130	10,402	-	10,402
Totals	\$ 777,402	\$ 439,448	\$ 1,216,850

The notes receivable consists of two notes with original principal of \$767,000 plus \$439,448 in deferred interest payable at maturity and one note with original principal of \$11,130. The two 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 and one note with 7% annual interest rate and is secured by deeds of trust on the property.

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 \$36,567 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, 2024, the City recognized \$34,673 of lease revenue and \$2,861 of interest revenue under the lease.

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. There was an amendment in October 2023 for the final extension term expired in August 2050 and increased the monthly payment to \$2,600. 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, 2024, the City recognized \$29,616 of lease revenue and \$2,740 of interest revenue under the lease.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

5. LEASES RECEIVABLE, Continued

The future lease payments on the leases as of June 30, 2024 were as follows:

Year Ending June 30,	Leachate		Cell Tower		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 33,831	\$ 2,736	\$ 28,566	\$ 2,634	\$ 62,397	\$ 5,370
2026	33,957	2,610	28,672	2,528	62,629	5,138
2027	34,083	2,484	28,778	2,422	62,861	4,906
2028	34,209	2,358	28,885	2,315	63,094	4,673
2029	34,336	2,231	28,993	2,207	63,329	4,438
2030-2034	173,600	9,235	146,588	9,412	320,188	18,647
2035-2039	176,844	5,991	149,332	6,668	326,176	12,659
2040-2044	180,148	2,687	152,127	3,873	332,275	6,560
2045-2049	36,433	135	92,640	960	129,073	1,095
2050-2051	-	-	38,561	95	38,561	95
Total	\$ 737,441	\$ 30,467	\$ 723,142	\$ 33,019	\$ 1,460,583	\$ 63,581

6. CAPITAL ASSETS

Capital assets activity relating to governmental activities for the year ended June 30, 2024 was as follows:

	Balance at July 1, 2023 (as restated)	Additions	Retirements	Transfers	Balance at June 30, 2024
Governmental activities:					
Nondepreciable capital assets:					
Land	\$ 8,631,561	\$ -	\$ -	\$ -	\$ 8,631,561
Construction in progress	5,095,258	4,250,623	-	(5,497,679)	3,848,202
Total nondepreciable capital assets	13,726,819	4,250,623	-	(5,497,679)	12,479,763
Depreciable capital assets:					
Buildings	10,618,756	-	-	354,873	10,973,629
Machinery and equipment	722,586	56,746	-	8,018	787,350
Vehicles	1,961,786	159,014	(169,216)	-	1,951,584
Improvements	29,826,475	683,264	-	5,134,788	35,644,527
Total depreciable capital assets	43,129,603	842,278	(169,216)	5,497,679	49,357,090
Less accumulated depreciation:					
Buildings	(3,608,055)	(267,572)	-	-	(3,875,627)
Machinery and equipment	(733,935)	(74,339)	169,216	-	(639,058)
Vehicles	(1,377,722)	(155,097)	-	-	(1,532,819)
Improvements	(12,056,461)	(2,192,935)	-	-	(14,249,396)
Total accumulated depreciation	(17,776,173)	(2,689,943)	169,216	-	(20,296,900)
Total depreciable capital assets, net	25,353,430	(1,847,665)	-	5,497,679	29,060,190
Total capital assets	\$ 39,080,249	\$ 2,402,958	\$ -	\$ -	\$ 41,539,953

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

6. CAPITAL ASSETS, Continued

Construction in progress at June 30, 2024 represents primarily costs incurred related to construction improvements to the City's street system.

For the year ended June 30, 2024, depreciation expense by program/function for capital assets was as follows:

Governmental activities:		
General government	\$	149,550
Public safety		123,068
Public works		2,202,632
Community development		57,750
Other internal service		156,944
		<u>156,944</u>
Total depreciation expense	\$	<u>2,689,944</u>

Capital assets activity relating to business-type activities for the year ended June 30, 2024 was as follows:

	Balance at July 1, 2023	Additions	Balance at June 30, 2024
Business-type activities:			
Nondepreciable capital assets:			
Construction in progress	\$ -	\$ 583,349	\$ 583,349
Total nondepreciable capital assets	<u>-</u>	<u>583,349</u>	<u>583,349</u>
Depreciable capital assets:			
Water wells	1,451,506	-	1,451,506
Reservoirs	1,650,972	-	1,650,972
Improvements	1,311,602	-	1,311,602
Pipelines and collection system	17,228,367	-	17,228,367
Equipment	84,872	40,691	125,563
Total depreciable capital assets	<u>21,727,319</u>	<u>40,691</u>	<u>21,768,010</u>
Less accumulated depreciation:			
Water wells	(1,179,415)	(31,229)	(1,210,644)
Reservoirs	(1,225,963)	(28,334)	(1,254,297)
Improvements	(824,928)	(56,370)	(881,298)
Pipelines and collection system	(5,925,247)	(377,186)	(6,302,433)
Equipment	(52,165)	(170,816)	(222,981)
Total accumulated depreciation	<u>(9,207,718)</u>	<u>(663,935)</u>	<u>(9,871,653)</u>
Total depreciable capital assets, net	<u>12,519,601</u>	<u>(623,244)</u>	<u>11,896,357</u>
Total capital assets	<u>\$ 12,519,601</u>	<u>\$ (623,244)</u>	<u>\$ 12,479,706</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

6. CAPITAL ASSETS, Continued

For the year ended June 30, 2024, depreciation expense by program/function for capital assets was as follows:

Business-type activities:	
Water	\$ 375,520
Wastewater	288,415
	<hr/>
Total depreciation expense	\$ 663,935
	<hr/> <hr/>

7. COMPENSATED ABSENCES

Compensated absences activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Net Change	Balance June 30, 2024	Due Within One Year
Governmental Activities:				
Compensated absences payable	\$ 300,540	\$ 53,714	\$ 354,254	\$ 250,719
Business-Type Activities:				
Compensated absences payable	168,916	29,914	198,830	157,844
Total	<hr/> \$ 551,734	<hr/> \$ 83,628	<hr/> \$ 553,084	<hr/> \$ 408,563
				<hr/> <hr/>

The change in compensated absences liability is presented as a net change

8. LONG-TERM DEBT

The following is a summary of the City's lease liability activity for the year ended June 30, 2024:

	Balance at July 1, 2023	Reductions	Balance at June 30, 2024	Due Within One Year
Governmental Activities:				
City of Cotati Series 2022A lease obligation	\$ 7,484,710	\$ (279,920)	\$ 7,204,790	\$ 286,820
City of Cotati Series 2022B lease obligation	3,875,230	(221,190)	3,654,040	228,620
				<hr/>
Total	<hr/> \$ 6,194,007	<hr/> \$ (501,110)	<hr/> \$ 10,858,830	<hr/> \$ 515,440
				<hr/> <hr/>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

8. LONG-TERM DEBT, Continued

A. 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
2025	\$ 286,820	\$ 174,761	\$ 461,581
2026	293,890	167,690	461,580
2027	301,130	160,446	461,576
2028	308,550	153,022	461,572
2029	316,160	145,416	461,576
2030-2034	1,701,620	606,263	2,307,883
2035-2039	2,391,910	376,584	2,768,494
2040-2043	1,604,710	63,554	1,668,264
Totals	\$ 7,204,790	\$ 1,847,736	\$ 9,052,526

B. 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
2025	\$ 228,620	\$ 119,777	\$ 348,397
2026	236,300	112,099	348,399
2027	244,230	104,165	348,395
2028	252,430	95,963	348,393
2029	260,910	87,487	348,397
2030-2034	1,442,000	299,982	1,741,982
2035-2038	989,550	55,632	1,045,182
Totals	\$ 3,654,040	\$ 875,105	\$ 4,529,145

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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 facilitate 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, 2024 was \$3,009,392.

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, 2024

10. DEFINED BENEFIT PENSION PLANS, Continued

Benefits Provided, Continued

The rate plan provisions and benefits in effect at June 30, 2024 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%	7.75%
Required employer contribution rates	15.95%	10.66%	7.68%
Required unfunded liability payment	\$192,898	\$0	\$0

	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%	13.75%
Required employer contribution rates	25.65%	19.95%	13.54%
Required unfunded liability payment	\$170,871	\$0	\$0

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, 2023 were \$898,680.

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

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$6,257,799.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. DEFINED BENEFIT PENSION PLANS, Continued

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, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2022. 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, 2022 and 2023 were as follows:

Proportion - June 30, 2023	0.05016%
Proportion - June 30, 2022	<u>0.05900%</u>
Change - Increase (decrease)	-0.00884%

For the year ended June 30, 2024, the City recognized pension expense of \$895,520. At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 385,062	\$ (44,791)
Changes in assumptions	371,918	-
Net differences between projected actual earnings and actual earnings on plan investments	939,833	-
Changes in employer's proportion	-	(4,203,513)
Differences between the employer's contributions and the employer's proportionate share of contributions	2,426,458	(530,697)
Pension contributions subsequent to the measurement date	1,194,191	-
Total	<u>\$ 5,317,462</u>	<u>\$ (4,779,001)</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

10. DEFINED BENEFIT PENSION PLANS, Continued

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

The City reported \$1,194,191 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, 2025. 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,	
2025	\$ (595,752)
2026	(507,667)
2027	421,035
2028	26,654

Actuarial Assumptions - The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Investment Rate of Return	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1)Derived using CalPERS' Membership Data for all Funds. The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website

Discount Rate - The discount rate used to measure the total pension liability was 6.90% 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 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 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, 2024

10. DEFINED BENEFIT PENSION PLANS, Continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

Asset Class ⁽¹⁾	Assumed Asset	
	Allocation	Real Return ⁽¹⁾⁽²⁾
Global Equity - cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management study.

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 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$ 12,301,361	\$ 6,257,799	\$ 1,298,691

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, 2024, no amount was payable to the Pension Plan.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, the following employees were covered by the benefit terms:

Inactive employees, spouses, or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	38
Total	40

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, 2024, the City’s average contribution rate was .003 percent of covered employee payroll. The amount contributed for fiscal 2024 was \$12,219 which amount was the amount of City paid benefit payments.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

	Actuarial Assumptions
Inflation	2.30% per year
Salary increases	2.80% wage inflation plus seniority, merit, and promotion salary increases based on additional merit-based increases based on CalPERS merit salary increase tables.
Discount rate	3.97%
Healthcare cost trend rates	Medical long-term trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2024_1b" using baseline assumptions. Applied to both claims and premiums., followed by 6.80% pre-Medicare / 4.90% Medicare decreasing gradually to an ultimate rate of 4.04% in 2075

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance at June 30, 2023	\$ 217,445
Changes for the year:	
Service cost	9,493
Interest	9,103
Changes in assumptions	(175,122)
Differences between expected and actual experience	168,193
Benefit payments	(13,021)
Net changes	(1,354)
Balances at June 30, 2024	\$ 216,091

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.97 percent) or 1-percentage point higher (4.97 percent) than the current discount rate.

	1% Decrease 2.97%	Current Discount Rate 3.97%	1% Increase 4.97%
Total OPEB Liability	\$ 233,015	\$ 216,091	\$ 200,521

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 5.80% pre-Medicare / 3.90% Medicare- 3.04%	Current Healthcare Cost Trend Rates 6.80% pre-Medicare / 4.90% Medicare- 4.04%	1% Increase 7.80% pre-Medicare / 5.90% Medicare - 5.04%
Total OPEB Liability	\$ 194,653	\$ 216,091	\$ 241,470

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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

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

For the year ended June 30, 2024, the City recognized OPEB expense of negative \$10,199. At June 30, 2024, 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	\$ 159,032	\$ (56,054)
Changes in assumptions	10,633	(171,692)
Total	\$ 169,665	\$ (227,746)

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,	
2025	\$ (8,397)
2026	(8,397)
2027	(8,397)
2028	(8,397)
2029	(8,397)
Thereafter	(16,096)

Payable to the OPEB Plan

At June 30, 2024, 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, 2024:

- Low Income Housing Fund - Negative \$4 is primarily due to the allocation of Fair Market Value adjustments for LAIF and the US Bank Trust Account.
- K-9 Program Fund - Negative \$74 is primarily due to the expenditure from contract
- Capital Projects Unspent Bond Proceeds Fund - Negative \$339,630 is primarily due to the transfer out to Park and Ride Project Fund for contract retention.
- Private Purpose Trust Fund - Negative \$3,362,345 is primarily due to the outstanding tax allocation bond liability, (see note 16).

The following funds had expenditures in excess of appropriations:

- Gas Taxes Fund has expenditures in excess of appropriations of \$8,265.
- Landscape and Lighting Fund has expenditures in excess of appropriations of \$14,108.
- PEG Fund has expenditures in excess of appropriations of \$3,094.
- Debt Service Fund has expenditures in excess of appropriations of \$1,761.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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 2024. Settlements have not exceeded coverage for each of the past four fiscal years. The City has no material claim liabilities at June 30, 2024. 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, 2024 were as follows:

	Workers Compensation	Totals
Liability - July 1, 2023	\$ 24,071	\$ 24,071
Claims Payments	(24,071)	(24,071)
Liability - June 30, 2024	\$ -	\$ -

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

13. RISK MANAGEMENT), Continued

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, 2024, total governmental funds encumbrance balances for the City were:

	<u>Encumbrances</u>
General fund	\$ 253,518
Grants fund	641,797
City capital project fund	827,595
Landscaping and Lighting	3,262

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.

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).

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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

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.

A. The Dissolution Process, Continued

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

B. Enforceable Obligations

Changes in enforceable obligations for the year ended June 30, 2024 were as follows:

Private Purpose Trust Fund:	Balance July 1, 2023	Deletions	Balance June 30, 2024	Due Within One Year
2020 Tax Allocation Bond	\$ 7,658,781	\$ (667,827)	\$ 6,990,954	\$ 672,278
Total	\$ 7,658,781	\$ (667,827)	\$ 6,990,954	\$ 672,278

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

**16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY,
Continued**

B. Enforceable Obligations, Continued

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
2025	\$ 672,278	\$ 85,847	\$ 758,125
2026	698,995	77,002	775,997
2027	710,093	67,914	778,007
2028	719,948	58,690	778,638
2029	728,541	49,347	777,888
2030-2034	2,874,511	113,883	2,988,394
2035-2037	586,588	7,499	594,087
Totals	\$ 6,990,954	\$ 460,182	\$ 7,451,136

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, 2024, total principal and interest remaining on the Successor Agency’s bonds is \$7,451,136.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

17. FUND BALANCE CLASSIFICATION

As of June 30, 2024, fund balances were classified as shown below.

	General Fund	Inclusionary Housing Fund	Low Income Housing Fund	Grants Fund	City Capital Project Fund	Nonmajor Governmental Funds	Total
Nonspendable:	\$ 2,809,562	\$ -	\$ -	\$ -	\$ -	\$ 7,934	\$ 2,817,496
Subtotal	2,809,562	-	-	-	-	7,934	2,817,496
Restricted:							
Affordable housing	-	3,165,174	-	-	-	317,004	3,482,178
Public safety	-	-	-	-	-	25,714	25,714
Streets	-	-	-	-	-	1,716,440	1,716,440
Park and ride lot	443,980	-	-	-	-	264,723	708,703
Public education	-	-	-	-	-	90,609	90,609
Capital projects	-	-	-	8,467	-	5,051	13,518
Subtotal	443,980	3,165,174	-	8,467	-	2,419,541	6,037,162
Committed:							
Emergencies	2,495,967	-	-	-	-	-	2,495,967
Capital projects	-	-	-	-	298,390	-	298,390
Veterand building	-	-	-	-	-	69	69
Subtotal	2,495,967	-	-	-	298,390	69	2,794,426
Unassigned	3,193,982	-	(4)	-	-	(339,704)	2,854,274
Total	\$ 8,943,491	\$ 3,165,174	\$ (4)	\$ 8,467	\$ 298,390	\$ 2,087,840	\$ 14,503,358

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, 2024

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 2024, the City incurred \$66,625 of expense and had a zero related liability as of June 30, 2024.

19. PRIOR PERIOD ADJUSTMENTS

The City recorded the following prior period adjustments:

- 1) Error correction to capital assets – The City recorded prior period adjustments for capital assets due to capital projects in progress outlays that were expensed or capitalized incorrectly:
 - In the prior year, Governmental Activities capital assets were overstated by \$1,000,149 of which \$470,696 were assets that were found to be duplicates and \$333,721 were assets that should have been disposed, but were added thus creating a total overstatement of difference of \$1,138,138. This overstatement is offset by \$137,989 in assets that were excluded from capitalization in error, totaling \$1,000,149. The offset to the total overstatement capital assets was an understatement of public works expense by \$1,000,149.

The table below presents the impact on fund balance or net position as a result of these adjustments:

	Previously Reported at June 30, 2023	Prior Period Adjustments		Restated at June 30, 2023
		Changes to or within the Financial Reporting Entity	Error Correction - Capital Assets	
<i>Fund Financial</i>				
Streets Bond Project Fund	\$ 3,363,337	\$ (3,363,337)	\$ -	\$ -
Non-Major Governmental Funds	1,595,395	3,363,337	-	4,958,732
<i>Governmental-Wide Financial</i>				
Governmental Activities	\$ 43,248,470	\$ -	\$ (1,000,149)	\$ 42,248,321



Required Supplementary Information

**Budgetary Comparison Schedules
General Fund & Inclusionary Housing,
Schedules for:**

**Changes in City's Total OPEB Liability & Related Ratios,
The City's Proportionate Share of the Net Pension Liability,
and 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, and debt service fund. The capital projects fund is appropriated on a project-length basis. Other special revenue funds 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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 2,131,758	\$ 2,060,765	\$ 2,070,441	\$ 9,676
Sales taxes	6,084,000	5,990,807	5,900,184	(90,623)
Other taxes	652,000	737,715	789,248	51,533
Licenses and permits	559,100	656,449	774,321	117,872
Intergovernmental	362,891	242,415	306,612	64,197
Charges for services	551,376	641,237	723,735	82,498
Interest and rents	123,600	350,630	433,876	83,246
Miscellaneous	27,308	41,955	69,700	27,745
Total revenues	10,492,033	10,721,973	11,068,117	346,144
EXPENDITURES:				
General government:				
City Council	159,429	151,773	135,350	16,423
City manager/city clerk	703,519	700,742	702,516	(1,774)
Administrative services	487,547	495,826	495,270	556
Public safety:				
Police	4,903,222	4,714,814	4,676,214	38,600
Community development	1,139,281	1,043,408	1,030,955	12,453
Public works:				
Public works, parks, buildings	2,007,553	2,079,262	1,881,678	197,584
Total expenditures	9,416,606	9,193,375	8,921,983	271,392
REVENUES OVER (UNDER) EXPENDITURES	1,075,427	1,528,598	2,146,134	617,536
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	12,132	12,132
Transfers in	202,000	244,000	872,303	628,303
Transfers (out)	(5,081,236)	(2,634,525)	(4,310,359)	(1,675,834)
Total other financing sources (uses)	(4,879,236)	(2,390,525)	(3,425,924)	(1,035,399)
Net change in fund balances	(3,803,809)	(861,927)	(1,279,790)	(417,863)
FUND BALANCES:				
Beginning of year	1,923,290	5,125,565	10,223,281	5,097,716
End of year	\$ (1,880,519)	\$ 4,263,638	\$ 8,943,491	\$ 4,679,853

City of Cotati
Required Supplementary Information
Budgetary Comparison Schedule - Inclusionary Housing Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Interest and rents	\$ 82,499	\$ 156,415	\$ 92,236	\$ (64,179)
Total revenues	82,499	160,415	96,319	(64,096)
EXPENDITURES:				
General government:				
City Council	-	1,660,074	7,333	1,652,741
Total expenditures	-	1,677,188	17,283	1,659,905
REVENUES OVER (UNDER)	82,499	(1,516,773)	79,036	1,595,809
EXPENDITURES	82,499	(1,516,773)	79,036	1,595,809
Net change in fund balances	82,499	(1,516,773)	79,036	1,595,809
FUND BALANCES:				
Beginning of year	2,354,687	1,580,168	3,086,138	1,505,970
End of year	\$ 2,437,186	\$ 63,395	\$ 3,165,174	\$ 3,101,779

City of Cotati

Required Supplementary Information

Budgetary Comparison Schedule - Low Income Housing Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
FUND BALANCES:				
Beginning of year	-	-	(4)	(4)
End of year	\$ -	\$ -	\$ (4)	\$ (4)

City of Cotati
Required Supplementary Information
Budgetary Comparison Schedule - Grants Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,411,664	\$ 1,158,602	\$ 563,183	\$ (595,419)
Total revenues	2,898,914	2,010,602	563,183	(1,447,419)
EXPENDITURES:				
Public safety:				
Police	11,464	138,000	134,652	3,348
Community development	600,000	1,430,000	132,046	1,297,954
Capital outlay	166,211	1,100,345	1,111,216	(10,871)
Total expenditures	5,849,128	6,080,398	1,377,914	4,702,484
REVENUES OVER (UNDER) EXPENDITURES	(2,950,214)	(4,069,796)	(814,731)	3,255,065
OTHER FINANCING SOURCES (USES):				
Transfers in	2,730,214	3,404,770	2,990,119	(414,651)
Transfers (out)	-	-	(50,000)	(50,000)
Total other financing sources (uses)	2,730,214	3,404,770	2,940,119	(464,651)
Net change in fund balances	\$ (220,000)	\$ (665,026)	(24,670)	\$ 2,790,414
FUND BALANCES:				
Beginning of year			33,137	
End of year			<u>\$ 8,467</u>	

City of Cotati
Required Supplementary Information
For the year ended June 30, 2024

DEFINED BENEFIT PENSION PLANS

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

Fiscal Year End:	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the net pension liability	0.05016%	0.05900%	0.12436%	0.99640%
City's proportionate share of the net pension liability	\$ 6,257,799	\$ 6,814,583	\$ 6,725,519	\$ 10,841,096
City's covered payroll (plan year)	\$ 3,945,112	\$ 3,794,622	\$ 3,810,492	\$ 3,601,857
City's proportionate share of the net pension liability as a percentage of its covered payroll	158.62%	179.59%	176.50%	300.99%
City's fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%

Notes to the schedule:

*Benefit changes: In fiscal year 2023-2024 there were no benefit changes.

*Changes in assumptions: In fiscal year 2019-2020, the plan's discount rate was changed to 7.00%. In fiscal year 2021-2022, the plan's discount rate changed from 7.00% to 6.90%.

Schedule of Pension Contributions - Last Ten Fiscal Years

Contributions for the fiscal year ending June 30,	2024	2023	2022	2021
Contractually required contribution	\$ 858,730	\$ 898,680	\$ 1,372,022	\$ 1,272,801
Contributions in relation to the contractually required contribution	(1,194,193)	(898,680)	(7,372,022)	(1,272,801)
Contribution deficiency (excess)	\$ (335,463)	\$ -	\$ (6,000,000)	\$ -
City's covered payroll (City's fiscal year)	\$ 4,370,956	\$ 3,945,112	\$ 3,794,622	\$ 3,810,492
Contributions as a percentage of covered payroll	27.32%	22.78%	194.28%	33.40%

Notes to the schedule:

The actuarial methods and assumptions used to set the actuarially determined contribution for FY2024 were derived from June 30, 2021 funding valuation report.

Actuarial cost method	Entry age normal cost method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
Inflation	2.30%
Investment rate of return	6.80% 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 80% of Scale MP 2020 published by the Society of Actuaries

<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
0.10214%	0.10525%	0.10666%	0.11214%	0.12248%	0.11983%
\$ 10,466,093	\$ 10,142,246	\$ 10,577,410	\$ 9,703,297	\$ 8,406,983	\$ 7,456,420
\$ 3,297,800	\$ 3,066,402	\$ 2,921,800	\$ 2,935,345	\$ 2,789,822	\$ 2,224,998
317.37%	330.75%	362.02%	330.57%	301.34%	335.12%
75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,144,938	\$ 1,293,940	\$ 1,153,203	\$ 1,069,601	\$ 1,004,742	\$ 771,201
(1,144,938)	(1,293,940)	(1,153,203)	(1,069,601)	(1,004,742)	(771,201)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,601,857	\$ 3,297,800	\$ 3,066,402	\$ 2,921,800	\$ 2,935,345	\$ 2,789,822
31.79%	39.24%	37.61%	36.61%	34.23%	27.64%

City of Cotati
Required Supplementary Information
For the year ended June 30, 2024

OTHER POST EMPLOYMENT BENEFIT PLANS (OPEB)

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

	<u>FY2023/24</u>	<u>FY2022/23</u>	<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	\$ 217,445	\$ 207,715	\$ 218,599	\$ 276,582	\$ 299,337	\$ 289,775	\$ 361,662
Service cost	9,493	8,782	11,414	10,515	10,004	9,106	13,394
Interest	9,103	8,623	4,922	7,403	10,563	11,183	12,975
Changes in benefit terms	-	-	-	(61,104)	-	-	-
Changes in assumptions	(175,122)	(698)	(1,324)	8,266	(2,762)	9,123	(14,780)
Differences between expected and actual experience	168,193	4,463	(15,324)	(5,375)	(23,630)	-	(57,987)
Benefit payments	(13,021)	(11,440)	(10,572)	(17,688)	(16,930)	(19,850)	(25,489)
Net change in total OPEB liability	(1,354)	9,730	(10,884)	(57,983)	(22,755)	9,562	(71,887)
Total OPEB liability - end of year	<u>\$ 216,091</u>	<u>\$ 217,445</u>	<u>\$ 207,715</u>	<u>\$ 218,599</u>	<u>\$ 276,582</u>	<u>\$ 299,337</u>	<u>\$ 289,775</u>
Covered employee payroll	\$ 3,886,303	\$ 3,973,105	\$ 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	5.6%	5.5%	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.

*Benefit changes: In fiscal year 2023-2024 there were no ad hoc postemployment benefit changes (including ad hoc COLAs).

*Changes in assumptions: In fiscal year 2023-2024, discount rate changed from 4.13% to 3.97%, healthcare cost trend rates for pre-medicare changed from 6.50% to 6.80% and medicare changed from 5.40% to 4.90%

*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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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.

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.

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.

Debt Services:

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt.

Streets Bond Project Fund is a fund designed to account for the construction of streets projects using the funding obtained from the 2022 Street debt service.

Debt Service Fund is a fund designated to account for the accumulation of accumulation of resources for, and the payment of, the obligations of the series 2022A Lease Obligation Street Improvement Project and the series 2022B Taxable Lease Obligation CalPERS UAL Prepayment Project.

City of Cotati
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Landscape and Lighting	Gas Taxes	Bed Tax	Parks In-Lieu	MTC Street	Traffic Mitigation
ASSETS						
Cash and investments	\$ 71,421	\$ 264,027	\$ 35,032	\$ 93,439	\$ 173,442	\$ 705,532
Taxes receivable	529	-	-	-	18,637	-
Accounts receivable	145	18,295	-	-	-	-
Prepayments	-	-	-	-	-	-
Total assets	\$ 72,095	\$ 282,322	\$ 35,032	\$ 93,439	\$ 192,079	\$ 705,532
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,323	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to other funds	4,128	-	-	-	-	-
Total liabilities	5,451	-	-	-	-	-
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted for affordable housing	-	-	-	-	-	-
Restricted for public safety	-	-	-	-	-	-
Restricted for streets	66,644	282,322	-	-	192,079	705,532
Restricted for parks	-	-	35,032	93,439	-	-
Restricted for public education	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Committed for veterans building	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	66,644	282,322	35,032	93,439	192,079	705,532
Total liabilities, deferred inflows of resources, and fund balances	\$ 72,095	\$ 282,322	\$ 35,032	\$ 93,439	\$ 192,079	\$ 705,532

City of Cotati
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	RMRA	Community Development Projects	In-Lieu Tree	Veterans Building	Public Safety	K-9 Program
ASSETS						
Cash and investments	\$ (15,779)	\$ 110,294	\$ 16,062	\$ -	\$ 20,194	\$ -
Taxes receivable	-	25,958	-	-	-	-
Accounts receivable	15,779	-	-	10,000	5,520	-
Prepayments	-	-	-	-	-	-
Total assets	\$ -	\$ 136,252	\$ 16,062	\$ 10,000	\$ 25,714	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 593	\$ 1,945	\$ -	\$ 74
Accrued liabilities	-	-	-	3,000	-	-
Deposits	-	-	-	4,986	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	593	9,931	-	74
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted for affordable housing	-	-	-	-	-	-
Restricted for public safety	-	-	-	-	25,714	-
Restricted for streets	-	-	-	-	-	-
Restricted for parks	-	136,252	-	-	-	-
Restricted for public education	-	-	15,469	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Committed for veterans building	-	-	-	69	-	-
Unassigned	-	-	-	-	-	(74)
Total fund balances	-	136,252	15,469	69	25,714	(74)
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 136,252	\$ 16,062	\$ 10,000	\$ 25,714	\$ -

City of Cotati
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Affordable Housing Linkage	PEG	Community Facilities District	Streets Bond Project Fund	Capital Projects Unspent Bond Proceeds	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	\$ 317,004	\$ 70,977	\$ 3,880	\$ 469,863	\$ -	\$ 2,335,388
Taxes receivable	-	-	-	-	-	45,124
Accounts receivable	-	4,163	1,171	-	-	55,073
Prepayments	-	7,934	-	-	-	7,934
Total assets	\$ 317,004	\$ 83,074	\$ 5,051	\$ 469,863	\$ -	\$ 2,443,519
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 339,630	\$ 343,565
Accrued liabilities	-	-	-	-	-	3,000
Deposits	-	-	-	-	-	4,986
Due to other funds	-	-	-	-	-	4,128
Total liabilities	-	-	-	-	339,630	355,679
Fund Balances:						
Nonspendable	-	7,934	-	-	-	7,934
Restricted for affordable housing	317,004	-	-	-	-	317,004
Restricted for public safety	-	-	-	-	-	25,714
Restricted for streets	-	-	-	469,863	-	1,716,440
Restricted for parks	-	-	-	-	-	264,723
Restricted for public education	-	75,140	-	-	-	90,609
Restricted for capital projects	-	-	5,051	-	-	5,051
Committed for veterans building	-	-	-	-	-	69
Unassigned	-	-	-	-	(339,630)	(339,704)
Total fund balances	317,004	83,074	5,051	469,863	(339,630)	2,087,840
Total liabilities, deferred inflows of resources, and fund balances	\$ 317,004	\$ 83,074	\$ 5,051	\$ 469,863	\$ -	\$ 2,443,519

City of Cotati

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	Landscape and Lighting	Gas Taxes	Bed Tax	Parks In-Lieu	MTC Street	Traffic Mitigation
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	79,795	-
Intergovernmental	-	213,028	-	-	-	-
Charges for services	53,610	-	-	-	-	7,255
Interest and rents	4,128	9,539	1,970	4,807	7,174	36,023
Miscellaneous	-	-	-	-	-	-
Total revenues	57,738	222,567	1,970	4,807	86,969	43,278
EXPENDITURES:						
Current:						
General government	78	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works	77,418	13,752	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	77,496	13,752	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(19,758)	208,815	1,970	4,807	86,969	43,278
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(19,758)	208,815	1,970	4,807	86,969	43,278
FUND BALANCES (DEFICITS):						
Beginning of year, as previously stated	86,402	73,507	33,062	88,632	105,110	662,254
Restatement - change in major funds	-	-	-	-	-	-
Beginning of year, as restated	-	-	-	-	-	-
End of year	\$ 66,644	\$ 282,322	\$ 35,032	\$ 93,439	\$ 192,079	\$ 705,532

City of Cotati

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	RMRA	Community Development Projects	In-Lieu Tree	Veterans Building	Public Safety	K-9 Program
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	111,118	-	-	-	-
Intergovernmental	-	-	-	-	198,833	-
Charges for services	-	3,183	18,577	155	-	-
Interest and rents	4,863	2,796	-	18,655	6,885	-
Miscellaneous	191,759	-	-	-	-	1,293
Total revenues	196,622	117,097	18,577	18,810	205,718	1,293
EXPENDITURES:						
Current:						
General government	-	-	3,108	9,309	-	-
Public safety	-	-	-	-	-	17,093
Community development	-	-	-	2,829	-	-
Public works	-	-	-	420	-	-
Capital outlay	-	-	-	-	-	1,500
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	3,108	12,558	-	18,593
REVENUES OVER (UNDER) EXPENDITURES	196,622	117,097	15,469	6,252	205,718	(17,300)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	63	-	17,226
Transfers (out)	(196,227)	-	-	(6,246)	(205,000)	-
Total other financing sources (uses)	(196,227)	-	-	(6,183)	(205,000)	17,226
Net change in fund balances	395	117,097	15,469	69	718	(74)
FUND BALANCES (DEFICITS):						
Beginning of year, as previously stated	(395)	19,155	-	-	24,996	-
Restatement - change in major funds	-	-	-	-	-	-
Beginning of year, as restated	-	-	-	-	-	-
End of year	\$ -	\$ 136,252	\$ 15,469	\$ 69	\$ 25,714	\$ (74)

City of Cotati

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	Affordable Housing Linkage	PEG	Community Facilities District	Streets Bond Project Fund	Debt Service Fund	Capital Projects Unspent Bond Proceeds	Total Nonmajor Governmental Funds
REVENUES:							
Property taxes	\$ -	\$ -	\$ 40,188	\$ -	\$ -	\$ -	\$ 40,188
Sales taxes	-	-	-	-	-	-	190,913
Intergovernmental	-	-	-	-	-	-	411,861
Charges for services	-	19,023	-	-	-	-	101,803
Interest and rents	16,310	4,436	853	121,541	-	-	239,980
Miscellaneous	-	-	-	-	-	-	193,052
Total revenues	16,310	23,459	41,041	121,541	-	-	1,177,797
EXPENDITURES:							
Current:							
General government	-	9,239	-	-	2,966	-	24,700
Public safety	-	-	-	-	-	-	17,093
Community development	-	-	-	-	-	-	2,829
Public works	-	-	1,878	-	-	-	93,468
Capital outlay	-	-	-	-	-	-	1,500
Debt service:							
Principal	-	-	-	-	501,110	-	501,110
Interest	-	-	-	-	308,865	-	308,865
Total expenditures	-	9,239	1,878	-	812,941	-	949,565
REVENUES OVER (UNDER) EXPENDITURES	16,310	14,220	39,163	121,541	(812,941)	-	228,232
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	812,941	-	830,230
Transfers (out)	-	-	(34,000)	(3,015,015)	-	(472,866)	(3,929,354)
Total other financing sources (uses)	-	-	(34,000)	(3,015,015)	812,941	(472,866)	(3,099,124)
Net change in fund balances	16,310	14,220	5,163	(2,893,474)	-	(472,866)	(2,870,892)
FUND BALANCES (DEFICITS):							
Beginning of year, as previously stated	300,694	68,854	(112)	-	-	133,236	1,595,395
Restatement - change in major funds	-	-	-	3,363,337	-	-	3,363,337
Beginning of year, as restated	-	-	-	3,363,337	-	-	4,958,732
End of year	\$ 317,004	\$ 83,074	\$ 5,051	\$ 469,863	\$ -	\$ (339,630)	\$ 2,087,840

City of Cotati

Budgetary Comparison Schedule - Landscape and Lighting

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 51,994	\$ 52,812	\$ 53,610	\$ 798
Interest and rents	436	2,612	4,128	1,516
Total revenues	<u>52,430</u>	<u>55,424</u>	<u>57,738</u>	<u>2,314</u>
EXPENDITURES:				
General government:				
Administrative services	-	140	78	62
Public works:				
Public works, parks, buildings	<u>47,375</u>	<u>63,248</u>	<u>77,418</u>	<u>(14,170)</u>
Total expenditures	<u>47,375</u>	<u>63,388</u>	<u>77,496</u>	<u>(14,108)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,055</u>	<u>(7,964)</u>	<u>(19,758)</u>	<u>(11,794)</u>
Net change in fund balances	<u>\$ 5,055</u>	<u>\$ (7,964)</u>	<u>(19,758)</u>	<u>\$ (11,794)</u>
FUND BALANCES:				
Beginning of year			<u>86,402</u>	
End of year			<u>\$ 66,644</u>	

City of Cotati

Budgetary Comparison Schedule - Gas Taxes

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 208,320	\$ 192,250	\$ 213,028	\$ 20,778
Interest and rents	300	4,212	9,539	5,327
Total revenues	208,620	196,462	222,567	26,105
EXPENDITURES:				
Public works:				
Public works, parks, buildings	5,600	5,487	13,752	(8,265)
Total expenditures	5,600	5,487	13,752	(8,265)
REVENUES OVER (UNDER) EXPENDITURES	203,020	190,975	208,815	17,840
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(200,000)	(200,000)	-	200,000
Total other financing sources (uses)	(200,000)	(200,000)	-	200,000
Net change in fund balances	\$ 3,020	\$ (9,025)	208,815	\$ 217,840
FUND BALANCES:				
Beginning of year			73,507	
End of year			<u>\$ 282,322</u>	

City of Cotati

Budgetary Comparison Schedule - Bed Tax

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ 4,000	\$ 1,300	\$ 1,970	\$ (670)
Total revenues	4,000	1,300	1,970	(670)
Net change in fund balances	\$ 4,000	\$ 1,300	1,970	\$ (670)
FUND BALANCES:				
Beginning of year			33,062	
End of year			<u>\$ 35,032</u>	

City of Cotati

Budgetary Comparison Schedule - Park In-Lieu

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 30,000	\$ -	\$ -	\$ -
Interest and rents	-	3,317	4,807	1,490
Total revenues	<u>30,000</u>	<u>3,317</u>	<u>4,807</u>	<u>1,490</u>
Net change in fund balances	<u>\$ 10,000</u>	<u>\$ 3,317</u>	<u>4,807</u>	<u>\$ 1,490</u>
FUND BALANCES:				
Beginning of year			<u>88,632</u>	
End of year			<u>\$ 93,439</u>	

City of Cotati
Budgetary Comparison Schedule - MTC Street
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales taxes	\$ 76,500	\$ 76,500	\$ 79,795	\$ 3,295
Interest and rents	-	4,435	7,174	2,739
Total revenues	<u>76,500</u>	<u>80,935</u>	<u>86,969</u>	<u>6,034</u>
Net change in fund balances	<u>\$ 1,500</u>	<u>\$ 5,935</u>	<u>86,969</u>	<u>\$ 81,034</u>
FUND BALANCES:				
Beginning of year			<u>105,110</u>	
End of year			<u>\$ 192,079</u>	

City of Cotati
Budgetary Comparison Schedule - Traffic Mitigation
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 54,000	\$ 4,250	\$ 7,255	\$ 3,005
Interest and rents	-	25,124	36,023	10,899
Total revenues	54,000	29,374	43,278	13,904
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(200,000)	-	-	-
Total other financing sources (uses)	(200,000)	-	-	-
Net change in fund balances	\$ (146,000)	\$ 29,374	43,278	\$ 13,904
FUND BALANCES:				
Beginning of year			662,254	
End of year			\$ 705,532	

City of Cotati

Budgetary Comparison Schedule - Road Maintenance and Rehabilitation (RMRA)

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ -	\$ 2,570	\$ 4,863	\$ 2,293
Miscellaneous	157,500	181,000	191,759	10,759
Total revenues	157,500	183,570	196,622	13,052
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(158,193)	(183,175)	(196,227)	(13,052)
Total other financing sources (uses)	(158,193)	(183,175)	(196,227)	(13,052)
Net change in fund balances	\$ (693)	\$ 395	395	\$ -
FUND BALANCES:				
Beginning of year			(395)	
End of year			\$ -	

City of Cotati

Budgetary Comparison Schedule - Community Development Projects

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales taxes	\$ 85,000	\$ 100,000	\$ 111,118	\$ 11,118
Charges for services	2,500	3,000	3,183	183
Interest and rents	-	1,600	2,796	1,196
Total revenues	87,500	104,600	117,097	12,497
OTHER FINANCING SOURCES (USES):				
Transfers (out)	90,000	-	-	-
Total other financing sources (uses)	90,000	-	-	-
Net change in fund balances	\$ 177,500	\$ 104,600	117,097	\$ 12,497
FUND BALANCES:				
Beginning of year			19,155	
End of year			\$ 136,252	

City of Cotati
Budgetary Comparison Schedule - In-Lieu Tree
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 3,870	\$ -	\$ 3,870
Charges for services	-	13,100	18,577	31,677
Total revenues	-	16,970	18,577	35,547
EXPENDITURES:				
General government:				
City Council	-	-	3,108	(3,108)
Administrative services	-	11,200	-	11,200
Total expenditures	-	11,200	3,108	8,092
REVENUES OVER (UNDER) EXPENDITURES	-	5,770	15,469	27,455
Net change in fund balances	\$ -	\$ 5,770	15,469	\$ 27,455
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 15,469	

City of Cotati
Budgetary Comparison Schedule - Veterans Building
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 155	\$ 155
Interest and rents	-	20,000	18,655	38,655
Total revenues	-	20,000	18,810	38,810
EXPENDITURES:				
General government:				
City Council	-	1,925	-	1,925
Administrative services	-	11,000	9,309	1,691
Community development	-	5,150	2,829	2,321
Public works:				
Public works, parks, buildings	-	-	420	(420)
Total expenditures	-	18,075	12,558	5,517
REVENUES OVER (UNDER) EXPENDITURES	-	1,925	6,252	33,293
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	63	63
Transfers (out)	-	1,925	(6,246)	(8,171)
Total other financing sources (uses)	-	1,925	(6,183)	(8,108)
Net change in fund balances	\$ -	\$ 3,850	69	\$ 25,185
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 69	

City of Cotati

Budgetary Comparison Schedule - Public Safety

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 164,000	\$ 190,000	\$ 198,833	\$ 8,833
Interest and rents	-	1,536	6,885	5,349
Total revenues	164,000	191,536	205,718	14,182
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(170,000)	(210,000)	(205,000)	5,000
Total other financing sources (uses)	(170,000)	(210,000)	(205,000)	5,000
Net change in fund balances	\$ (6,000)	\$ (18,464)	718	\$ 19,182
FUND BALANCES:				
Beginning of year			24,996	
End of year			\$ 25,714	

City of Cotati
Budgetary Comparison Schedule - K-9 Program
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous	\$ -	\$ 1,294	\$ 1,293	\$ (1)
Total revenues	-	1,294	1,293	(1)
EXPENDITURES:				
Public safety:				
Police	22,840	26,660	17,093	9,567
Total expenditures	30,340	29,240	18,593	10,647
REVENUES OVER (UNDER)				
EXPENDITURES	(30,340)	(27,946)	(17,300)	10,646
Net change in fund balances	\$ -	\$ 2,394	(74)	\$ (2,468)
FUND BALANCES:				
Beginning of year			-	
End of year			\$ (74)	

City of Cotati

Budgetary Comparison Schedule - Affordable Housing Linkage

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ -	\$ 10,300	\$ 16,310	\$ 6,010
Total revenues	-	10,300	16,310	6,010
Net change in fund balances	\$ -	\$ 10,300	16,310	\$ 6,010
FUND BALANCES:				
Beginning of year			300,694	
End of year			\$ 317,004	

City of Cotati
Budgetary Comparison Schedule - PEG
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 20,000	\$ 20,000	\$ 19,023	\$ (977)
Interest and rents	-	2,286	4,436	2,150
Total revenues	20,000	22,286	23,459	1,173
EXPENDITURES:				
General government:				
City Council	20,000	6,145	9,239	(3,094)
Total expenditures	20,000	6,145	9,239	(3,094)
REVENUES OVER (UNDER) EXPENDITURES	-	16,141	14,220	(1,921)
Net change in fund balances	\$ -	\$ 16,141	14,220	\$ (1,921)
FUND BALANCES:				
Beginning of year			68,854	
End of year			\$ 83,074	

City of Cotati

Budgetary Comparison Schedule - Community Facilities District

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 37,800	\$ 40,500	\$ 40,188	\$ 118,488
Interest and rents	-	-	853	853
Total revenues	37,800	40,500	41,041	119,341
EXPENDITURES:				
Public works:				
Public works, parks, buildings	5,500	5,500	1,878	3,622
Total expenditures	5,500	5,500	1,878	3,622
REVENUES OVER (UNDER) EXPENDITURES	32,300	35,000	39,163	115,719
OTHER FINANCING SOURCES (USES):				
Transfers (out)	32,000	34,000	(34,000)	(68,000)
Total other financing sources (uses)	32,000	34,000	(34,000)	(68,000)
Net change in fund balances	\$ 64,300	\$ 69,000	5,163	\$ 47,719
FUND BALANCES:				
Beginning of year			(112)	
End of year			\$ 5,051	

City of Cotati

Budgetary Comparison Schedule - Streets Bonds Project Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ -	\$ -	\$ 121,541	\$ 121,541
Total revenues	-	-	121,541	121,541
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(3,030,904)	(3,015,015)	15,889
Total other financing sources (uses)	-	(3,030,904)	(3,015,015)	15,889
Net change in fund balances	\$ -	\$ (3,030,904)	(2,893,474)	\$ 137,430
FUND BALANCES:				
Beginning of year, as previously stated			-	
Restatement - change in major funds			3,363,337	
Beginning of year, as restated			3,363,337	
End of year			\$ 469,863	

City of Cotati
Budgetary Comparison Schedule - Debt Service Fund
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
General government:				
Administrative services	\$ 900	\$ 1,200	\$ 2,966	\$ (1,766)
Principal	501,110	501,115	501,110	5
Interest	308,865	308,865	308,865	-
Total expenditures	810,875	811,180	812,941	(1,761)
REVENUES OVER (UNDER) EXPENDITURES	(810,875)	(811,180)	(812,941)	1,761
OTHER FINANCING SOURCES (USES):				
Transfers in	809,975	811,180	812,941	1,761
Total other financing sources (uses)	809,975	811,180	812,941	1,761
Net change in fund balances	\$ (900)	\$ -	-	\$ 3,522
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

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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.

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City of Cotati
Combining Statement of Net Position
Internal Service Funds
For the year ended June 30, 2024

	Vehicle Replacement	Compensated Absences	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 71,670	\$ 513,247	\$ 584,917
Accounts receivable	-	1,587	1,587
Total current assets	<u>71,670</u>	<u>514,834</u>	<u>586,504</u>
Noncurrent assets:			
Capital assets:			
Equipment	1,951,584	-	1,951,584
Less accumulated depreciation	(1,416,852)	-	(1,416,852)
Net capital assets	<u>534,732</u>	<u>-</u>	<u>534,732</u>
Total assets	<u>606,402</u>	<u>514,834</u>	<u>1,121,236</u>
LIABILITIES			
Current liabilities:			
Accrued liabilities	-	1,587	1,587
Compensated absences	-	250,719	250,719
Total current liabilities	<u>-</u>	<u>252,306</u>	<u>252,306</u>
Noncurrent liabilities:			
Compensated absences	-	103,535	103,535
Total noncurrent liabilities	<u>-</u>	<u>103,535</u>	<u>103,535</u>
Total liabilities	<u>-</u>	<u>355,841</u>	<u>355,841</u>
NET POSITION			
Net investment in capital assets	534,732	-	534,732
Unrestricted	71,670	158,993	230,663
Total net position	<u>\$ 606,402</u>	<u>\$ 158,993</u>	<u>\$ 765,395</u>

City of Cotati

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2024

	Vehicle Replacement	Compensated Absences	Total
OPERATING REVENUES:			
Charges for services	\$ 275,967.00	\$ 154,842.00	\$ 430,809
Total operating revenues	<u>275,967</u>	<u>154,842</u>	<u>430,809</u>
OPERATING EXPENSES:			
Personnel services	-	208,556	208,556
Depreciation	156,944	-	156,944
Total operating expenses	<u>156,944</u>	<u>208,556</u>	<u>365,500</u>
OPERATING INCOME (LOSS)	<u>119,023</u>	<u>(53,714)</u>	<u>65,309</u>
NONOPERATING REVENUES (EXPENSES):			
Proceeds from sale of capital assets	14,564	-	14,564
Interest and investment revenues	2,099	26,407	28,506
Total nonoperating revenues (expenses)	<u>16,663</u>	<u>26,407</u>	<u>43,070</u>
Change in net position	135,686	(27,307)	108,379
NET POSITION:			
Beginning of year	470,716	186,300	657,016
End of year	<u>\$ 606,402</u>	<u>\$ 158,993</u>	<u>\$ 765,395</u>

City of Cotati
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2024

	Vehicle Replacement	Compensated Absences	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interfund charges for services	\$ 275,967	\$ 154,842	\$ 430,809
Payments to suppliers	(116,953)	-	(116,953)
Payments to employees	-	(154,842)	(154,842)
Net cash provided by (used in) operating activities	159,014	-	159,014
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	14,564	-	14,564
Purchase of capital assets	(159,016)	-	(159,016)
Net cash provided by (used in) capital and related financing activities	(144,452)	-	(144,452)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest receipts	2,099	26,407	28,506
Net cash provided by (used in) investing activities	2,099	26,407	28,506
Net cash flows	16,661	26,407	43,068
CASH AND CASH EQUIVALENTS - Beginning of year	55,009	486,840	541,849
CASH AND CASH EQUIVALENTS - End of year	\$ 71,670	\$ 513,247	\$ 584,917
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 119,023	\$ (53,714)	\$ 65,309
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	156,944	-	156,944
Changes in assets and liabilities:			
Receivables, net	-	2,627	2,627
Accounts payable	(116,953)	-	(116,953)
Other liabilities	-	51,087	51,087
Net cash provided by (used in) operating activities	\$ 159,014	\$ -	\$ 159,014

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Measure S Financial Summary



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City of Cotati
Schedule of Measure S Revenues and Uses
For the year ended June 30, 2024

REVENUES:

Measure S revenues	\$ 3,081,310
Total Measure S revenues	<u>3,081,310</u>

USES:

Operations and maintenance:	
Street, sidewalk and storm drain	220,285
Public safety program	574,944
Recreation program	421,726
Park and landscape program	160,021
Public building program	141,413
Capital improvements and equipment:	
Street, sidewalk and storm drain	938,684
Public safety program	119,991
Park and landscape program	379,671
Public building program	114,525
State administrative fees	10,050
Total Measure S uses	<u>\$ 3,081,310</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)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
				Restated	Restated	Restated	Restated		Restated	
Governmental Activities										
Net Investment in capital assets	\$ 13,863,366	\$ 16,517,962	\$ 18,192,860	\$ 20,039,682	\$ 21,808,218	\$ 25,878,148	\$ 27,881,695	\$ 30,483,120	\$ 28,236,134	\$ 32,865,142
Restricted	5,253,384	5,648,440	6,775,373	7,450,051	5,830,201	5,595,389	5,697,447	7,419,345	14,194,599	10,014,001
Unrestricted	(2,719,089)	(1,392,655)	(957,876)	(257,960)	1,822,203	231,153	2,041,252	1,492,392	(182,412)	(1,362,262)
Total governmental activities net position	\$ 16,397,661	\$ 20,773,747	\$ 24,010,357	\$ 27,231,773	\$ 29,460,622	\$ 31,704,690	\$ 35,620,394	\$ 39,394,857	\$ 42,248,321	\$ 41,516,881
Business-type activities										
Net Investment in capital assets	\$ 7,474,048	\$ 9,001,287	\$ 9,250,509	\$ 8,864,388	\$ 13,104,759	\$ 12,534,830	\$ 12,602,934	\$ 12,037,960	\$ 12,519,601	\$ 12,479,706
Restricted	6,153,822	4,535,027	3,783,904	4,517,050	102,103	-	-	-	-	-
Unrestricted	2,463,815	2,753,618	3,486,382	2,735,965	2,710,421	3,852,645	3,109,741	3,436,675	2,099,469	2,023,306
Total business-type activities net position	\$ 16,091,685	\$ 16,289,932	\$ 16,520,795	\$ 16,117,403	\$ 15,917,283	\$ 16,387,475	\$ 15,712,675	\$ 15,474,635	\$ 14,619,070	\$ 14,503,012
Primary government										
Net Investment in capital assets	\$ 21,337,414	\$ 25,519,249	\$ 27,443,369	\$ 28,904,070	\$ 34,912,977	\$ 38,412,978	\$ 40,484,629	\$ 42,521,080	\$ 40,755,735	\$ 45,344,848
Restricted	11,407,206	10,183,467	10,559,277	11,967,101	5,932,304	5,595,389	5,697,447	7,419,345	14,194,599	10,014,001
Unrestricted	(255,274)	1,360,963	2,528,506	2,478,005	4,532,624	4,083,798	5,150,993	4,929,067	1,917,057	661,044
Total primary government net position	\$ 32,489,346	\$ 37,063,679	\$ 40,531,152	\$ 43,349,176	\$ 45,377,905	\$ 48,092,165	\$ 51,333,069	\$ 54,869,492	\$ 56,867,391	\$ 56,019,893

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)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Expenses:				Restated	Restated	Restated	Restated		Restated	
Governmental Activities										
General government	\$ 1,837,502	\$ 1,729,742	\$ 1,311,401	\$ 1,382,139	\$ 2,499,291	\$ 1,808,561	\$ 1,332,803	\$ 1,804,038	\$ 3,199,265	\$ 1,264,167
Public safety	3,041,510	2,676,142	2,628,760	3,733,774	3,410,242	4,081,647	4,186,303	4,219,712	4,404,168	4,951,027
Community development	610,472	1,070,087	427,963	439,133	581,558	644,933	972,578	1,672,689	1,610,576	3,562,140
Public works	1,258,811	1,844,032	1,736,094	1,830,007	1,948,935	1,993,763	1,857,882	2,406,759	3,325,556	4,727,368
Interest on long-term debt	315,034	306,313	-	-	-	1,911	965	190,521	506,426	302,939
Total governmental activities expenses	\$ 7,063,329	\$ 7,626,316	\$ 6,104,218	\$ 7,385,053	\$ 8,440,026	\$ 8,530,815	\$ 8,350,531	\$ 10,293,719	\$ 13,045,991	\$ 14,807,641
Business-type activities										
Water	\$ 1,289,046	\$ 1,422,854	\$ 1,623,862	\$ 1,816,685	\$ 1,737,323	\$ 2,086,615	\$ 2,324,983	\$ 2,040,153	\$ 2,301,068	\$ 2,346,268
Wastewater	2,153,501	2,224,574	2,421,786	2,723,983	2,734,699	2,931,726	3,439,883	3,617,797	3,726,683	3,620,353
Total business-type activities expenses	\$ 3,442,547	\$ 3,647,428	\$ 4,045,648	\$ 4,540,668	\$ 4,472,022	\$ 5,018,341	\$ 5,764,866	\$ 5,657,950	\$ 6,027,751	\$ 5,966,621
Total primary government expenses	\$ 10,505,876	\$ 11,273,744	\$ 10,149,866	\$ 11,925,721	\$ 12,912,048	\$ 13,549,156	\$ 14,115,397	\$ 15,951,669	\$ 19,073,742	\$ 20,774,262
Program revenues:										
Governmental Activities										
Charges for services										
General government	\$ 457,148	\$ 112,018	\$ 165,292	\$ 165,598	\$ 554,930	\$ 930,779	\$ 995,882	\$ 1,360,912	\$ 1,240,293	\$ 947,169
Public safety	92,496	121,292	120,841	95,170	437,647	328,557	309,572	248,916	294,419	376,105
Community development	198,539	783,105	770,643	734,913	271,021	304,005	908,994	447,194	410,008	349,934
Public works	567,312	94,862	394,040	679,712	114,508	117,783	109,433	56,890	144,361	96,235
Operating grants and contributions	342,433	431,468	679,146	428,962	301,544	850,304	743,354	2,274,436	1,525,040	1,119,905
Capital grants and contributions	136,500	4,113,824	697,062	2,122,200	-	-	-	-	-	680,046
Total governmental activities program revenues	\$ 1,794,428	\$ 5,656,569	\$ 2,827,024	\$ 4,226,555	\$ 1,679,650	\$ 2,531,428	\$ 3,067,235	\$ 4,388,348	\$ 3,614,121	\$ 3,569,394
Business-type activities										
Charges for services										
Water	\$ 1,301,372	\$ 1,371,858	\$ 1,559,828	\$ 1,694,915	\$ 1,733,794	\$ 2,137,569	\$ 2,214,793	\$ 2,334,947	\$ 2,087,050	\$ 2,249,182
Wastewater	2,101,749	2,360,902	2,048,481	2,214,960	2,381,342	3,205,145	2,822,407	3,083,753	2,911,124	3,322,913
Operating grants and contributions	-	-	30,000	-	-	-	-	-	-	-
Capital grants and contributions	90,457	112,915	701,166	610,674	-	-	-	-	-	-
Total business-type activities program revenues	\$ 3,493,578	\$ 3,845,675	\$ 4,339,475	\$ 4,520,549	\$ 4,115,136	\$ 5,342,714	\$ 5,037,200	\$ 5,418,700	\$ 4,998,174	\$ 5,572,095
Total primary government revenues	\$ 5,288,006	\$ 9,502,244	\$ 7,166,499	\$ 8,747,104	\$ 5,794,786	\$ 7,874,142	\$ 8,104,435	\$ 9,807,048	\$ 8,612,295	\$ 9,141,489
Net revenues (expenses)										
Governmental Activities	\$ (5,268,901)	\$ (1,969,747)	\$ (3,277,194)	\$ (3,158,498)	\$ (6,760,376)	\$ (5,999,387)	\$ (5,283,296)	\$ (5,905,371)	\$ (9,431,870)	\$ (11,238,247)
Business-type activities	51,031	198,247	293,827	(20,119)	(356,886)	324,373	(727,666)	(239,250)	(1,029,577)	(394,526)
Total net revenues (expenses)	\$ (5,217,870)	\$ (1,771,500)	\$ (2,983,367)	\$ (3,178,617)	\$ (7,117,262)	\$ (5,675,014)	\$ (6,010,962)	\$ (6,144,621)	\$ (10,461,447)	\$ (11,632,773)

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

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
General revenues and other changes in net position										
Governmental Activities				Restated	Restated	Restated	Restated		Restated	
Taxes:										
Property taxes	\$ 1,266,681	\$ 1,652,877	\$ 1,472,627	\$ 1,544,849	\$ 1,734,281	\$ 1,813,280	\$ 1,774,242	\$ 1,902,006	\$ 2,002,321	\$ 2,110,629
Sales taxes	3,616,732	4,075,204	4,222,473	4,145,877	5,109,211	5,091,824	6,004,019	6,418,733	6,217,892	6,091,096
Other taxes	567,114	603,792	678,955	829,535	907,508	1,054,055	1,192,032	1,344,773	1,302,352	1,467,716
Incremental property taxes	-	-	-	-	-	-	-	-	-	-
Interest and rents	92,831	44,094	76,785	137,294	339,211	286,349	228,707	14,322	568,048	810,670
Other general revenues	31,169	-	-	-	-	-	-	-	2,000,000	26,696
Special item	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Transfers	90,500	-	62,964	161,053	-	-	-	-	194,721	-
Total governmental activities	\$ 5,665,027	\$ 6,375,967	\$ 6,513,804	\$ 6,818,608	\$ 8,090,211	\$ 8,245,508	\$ 9,199,000	\$ 9,679,834	\$ 12,285,334	\$ 10,506,807
Business-type activities										
Other revenues	\$ -	\$ -	\$ -	\$ -	\$ 156,766	\$ 145,819	\$ 52,866	\$ 1,210	\$ 174,012	\$ 278,468
Transfers	(90,500)	-	(62,964)	(161,053)	-	-	-	-	-	-
Total business-type activities	\$ (90,500)	\$ -	\$ (62,964)	\$ (161,053)	\$ 156,766	\$ 145,819	\$ 52,866	\$ 1,210	\$ 174,012	\$ 278,468
Total primary government	\$ 5,574,527	\$ 6,375,967	\$ 6,450,840	\$ 6,657,555	\$ 8,246,977	\$ 8,391,327	\$ 9,251,866	\$ 9,681,044	\$ 12,459,346	\$ 10,785,275
Changes in net position										
Governmental Activities	\$ 396,126	\$ 4,406,220	\$ 3,236,610	\$ 3,660,110	\$ 1,329,835	\$ 2,246,121	\$ 3,915,704	\$ 3,774,463	\$ 2,853,464	\$ (731,440)
Business-type activities	(39,469)	198,247	230,863	(181,172)	(200,120)	470,192	(674,800)	(238,040)	(855,565)	(116,058)
Total primary government	\$ 356,657	\$ 4,604,467	\$ 3,467,473	\$ 3,478,938	\$ 1,129,715	\$ 2,716,313	\$ 3,240,904	\$ 3,536,423	\$ 1,997,899	\$ (847,498)

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)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
General fund:				Restated	Restated	Restated	Restated			
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	60,517	42,311	26,778	51,017	51,112	82,937	95,835	485,752	248,017	2,809,562
Restricted for capital projects	-	-	-	-	-	-	-	-	2,375,000	443,980
Committed for special projects	45,000	45,000	45,000	-	-	-	-	-	-	-
Committed for emergencies	120,000	120,000	120,000	1,400,254	1,700,118	1,910,969	1,910,969	2,131,107	2,361,957	2,495,967
Assigned for encumbrances	-	-	-	-	-	-	-	142,939	-	-
Unassigned	2,738,671	3,753,034	4,362,879	4,286,690	5,498,960	5,297,547	7,210,913	6,235,593	5,238,307	3,193,982
Total general fund	\$ 2,964,188	\$ 3,960,345	\$ 4,554,657	\$ 5,737,961	\$ 7,250,190	\$ 7,291,453	\$ 9,217,717	\$ 8,995,391	\$ 10,223,281	\$ 8,943,491
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	7,934
Restricted for affordable housing	3,252,244	3,101,038	3,136,427	3,272,449	3,314,901	3,397,943	3,489,015	3,466,109	3,386,832	3,482,178
Restricted for community development	-	-	-	-	-	-	-	-	-	-
Restricted for public safety	44,420	141,656	149,404	113,934	23,243	35,328	15,307	58,528	44,836	25,714
Restricted for streets	350,947	332,857	490,272	1,055,063	777,091	690,712	607,918	761,117	4,290,610	1,716,440
Restricted for parks	2,108	2,317	314,861	281,825	188,139	31,114	123,264	345,470	121,694	264,723
Restricted for public education	2,332	7,214	15,665	23,325	10,290	14,678	20,053	27,197	68,854	90,609
Restricted for debt service	850,397	919,278	930,095	943,984	-	-	-	-	-	-
Restricted for recycling	115,283	5,310	-	-	-	-	-	-	-	-
Restricted for special projects	637,761	1,141,087	701,184	689,995	550,549	-	-	-	-	-
Restricted for capital projects	1,044,483	754,678	293,080	-	-	308,410	272,082	1,878,764	133,236	13,518
Committed for capital projects	-	-	-	568,484	269,262	298,205	274,728	274,805	250,064	298,390
Committed for veterans building	-	-	-	-	-	-	-	-	-	69
Assigned	-	-	-	-	-	24,718	55,435	-	-	-
Unassigned	-	-	-	-	-	(479,495)	(94,058)	(445,490)	(1,196)	(339,708)
Total other governmental fund activities net po	\$ 6,299,975	\$ 6,405,435	\$ 6,030,988	\$ 6,949,059	\$ 5,133,475	\$ 4,321,613	\$ 4,763,744	\$ 6,366,500	\$ 8,294,930	\$ 5,559,867
Total Governmental Funds	\$ 9,264,163	\$ 10,365,780	\$ 10,585,645	\$ 12,687,020	\$ 12,383,665	\$ 11,613,066	\$ 13,981,461	\$ 15,361,891	\$ 18,518,211	\$ 14,503,358

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)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
				Restated	Restated	Restated	Restated			
Revenues:										
Property taxes	\$ 1,266,681	\$ 1,652,877	\$ 1,472,627	\$ 1,544,847	\$ 1,734,281	\$ 1,813,280	\$ 1,774,242	\$ 1,902,006	\$ 2,002,321	\$ 2,110,629
Sales taxes	3,667,261	4,128,500	4,332,626	4,261,452	5,172,427	5,154,685	6,004,019	6,418,733	6,217,892	6,091,097
Other taxes	110,345	46,314	44,041	173,119	401,685	509,572	646,454	720,920	651,507	789,248
Licenses and permits	402,151	502,033	521,507	544,780	515,547	546,010	624,513	689,807	684,245	774,321
Intergovernmental	575,014	1,350,366	998,301	424,872	643,120	779,480	1,612,970	2,432,231	1,827,496	1,281,656
Charges for services	908,956	1,201,768	1,450,185	1,515,847	699,800	717,283	1,551,512	1,467,493	1,265,308	995,122
Interest and rents	106,107	85,921	112,270	206,880	332,626	297,910	223,267	19,684	550,713	782,164
Miscellaneous	341,905	107,382	150,298	222,104	270,375	431,445	296,622	399,661	467,019	1,171,639
Total revenues	\$ 7,487,855	\$ 9,310,712	\$ 9,086,694	\$ 8,893,901	\$ 9,769,861	\$ 10,249,665	\$ 12,733,599	\$ 14,050,535	\$ 13,666,501	\$ 13,995,876
Expenditures:										
Current:										
General government	1,442,092	1,635,238	1,276,704	879,854	1,126,300	1,189,649	1,385,817	2,012,707	1,304,601	1,365,169
Public safety	2,831,831	2,915,581	2,991,798	3,349,442	3,715,188	3,607,872	3,965,857	7,581,747	4,287,989	4,827,959
Community development	610,472	476,483	427,963	439,133	581,558	644,933	719,621	1,340,858	1,484,954	3,504,390
Public works	855,454	1,088,141	1,137,856	1,074,822	1,458,531	1,390,244	1,430,423	2,254,601	1,813,282	5,039,958
Capital Outlay	1,429,863	2,320,464	2,650,334	795,748	2,020,839	4,178,919	2,853,309	5,472,060	8,603,758	2,475,410
Debt Service:										
Principal retirement	130,000	135,000	145,000	158,022	6,331	6,736	7,167	197,636	487,633	501,110
Interest and fiscal charges	317,850	309,238	300,138	291,432	1,801	1,911	965	507	376,251	308,865
Total Expenditures	\$ 7,617,562	\$ 8,880,145	\$ 8,929,793	\$ 6,988,453	\$ 8,910,548	\$ 11,020,264	\$ 10,363,159	\$ 18,860,116	\$ 18,358,468	\$ 18,022,861
Excess (deficiency) of revenues over (under) expenditures	(129,707)	430,567	156,901	1,905,448	859,313	(770,599)	2,370,440	(4,809,581)	(4,691,967)	(4,026,985)
Other financing sources (uses):										
Contributions from successor agency	\$ -	\$ 701,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds of sale of assets	-	-	-	-	-	-	-	-	2,000,000	12,132
Right of use lease financing	-	-	-	34,874	-	-	-	-	-	-
Proceeds from long term debt	-	-	-	-	-	-	-	6,190,011	5,848,287	-
Transfers in	1,264,468	1,612,149	2,383,566	910,786	2,237,319	3,537,819	2,317,805	13,380,782	14,943,479	7,978,434
Transfers out	(1,173,968)	(1,612,149)	(2,320,602)	(749,733)	(2,452,003)	(3,537,819)	(2,317,805)	(13,380,782)	(14,943,479)	(7,978,434)
Total business-type activities net position	90,500	701,184	62,964	195,927	(214,684)	-	-	6,190,011	7,848,287	12,132
Net change in fund balances	\$ (39,207)	\$ 1,131,751	\$ 219,865	\$ 2,101,375	\$ 644,629	\$ (770,599)	\$ 2,370,440	\$ 1,380,430	\$ 3,156,320	\$ (4,014,853)
Debt service as a percentage of noncapital expenditures	7.2%	6.8%	7.1%	7.3%	0.1%	0.1%	0.1%	1.5%	8.9%	5.2%

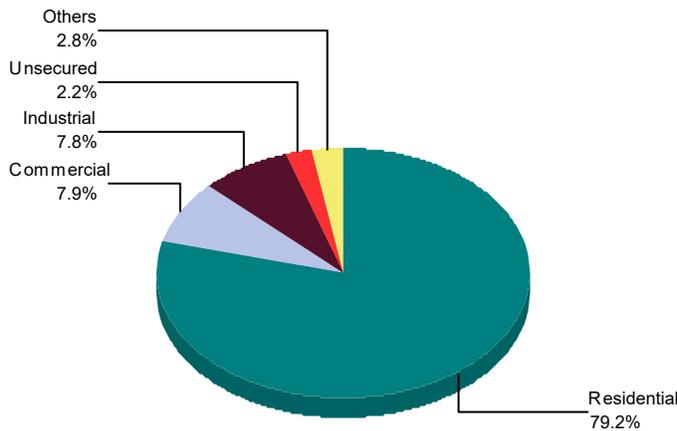
THE CITY OF COTATI

2023/24 USE CATEGORY SUMMARY

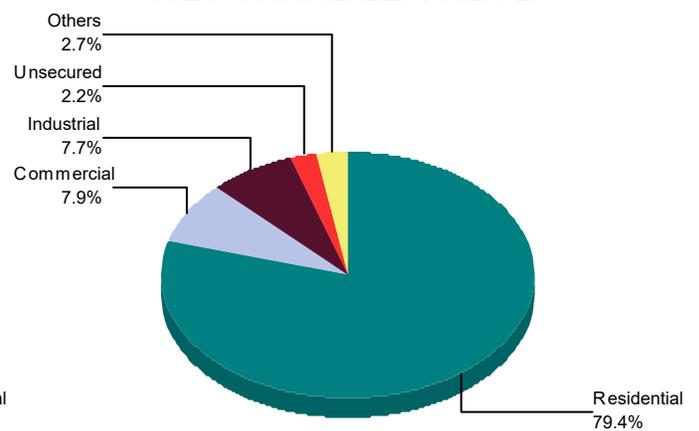
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	2,487	\$1,146,541,540 (79.2%)	\$1,137,098,284 (79.4%)
Commercial	78	\$114,353,830 (7.9%)	\$113,303,647 (7.9%)
Industrial	84	\$112,443,515 (7.8%)	\$110,306,572 (7.7%)
Govt. Owned	79	\$0 (0.0%)	\$0 (0.0%)
Institutional	16	\$5,957,702 (0.4%)	\$3,395,465 (0.2%)
Miscellaneous	11	\$1,115,118 (0.1%)	\$1,115,118 (0.1%)
Recreational	1	\$3,467,891 (0.2%)	\$3,467,891 (0.2%)
Vacant	80	\$27,224,932 (1.9%)	\$27,055,163 (1.9%)
Cross Reference	[77]	\$3,349,504 (0.2%)	\$3,314,717 (0.2%)
Unsecured	[416]	\$32,301,633 (2.2%)	\$32,178,953 (2.2%)
TOTALS	2,836	\$1,446,755,665	\$1,431,235,810

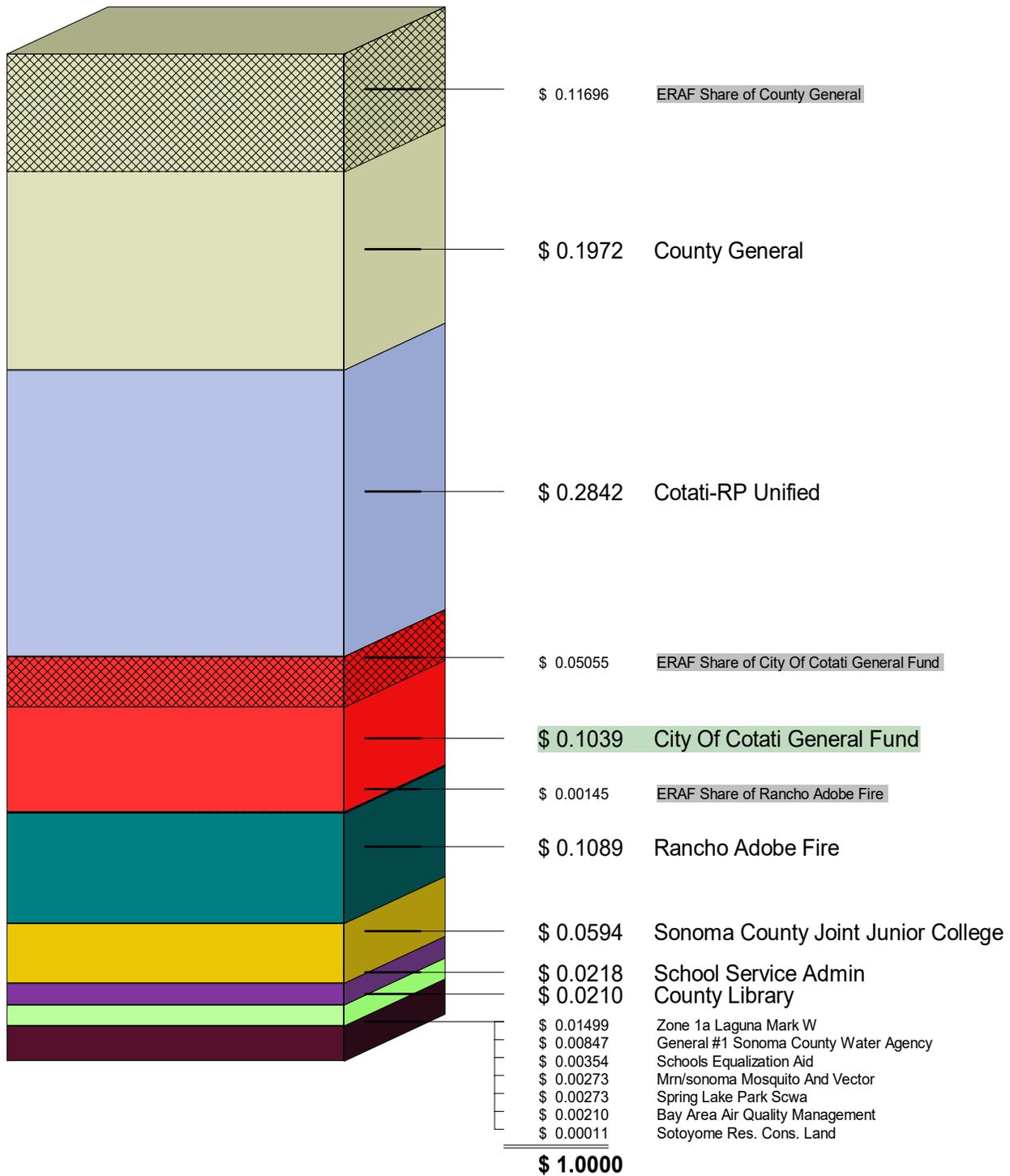
ASSESSED VALUE



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 2023/24 Annual Tax Increment Tables

Prepared On 8/19/2024 By MV

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

THE CITY OF COTATI

2023/24 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	2,836	0	416
TRAs	13	0	12
Values			
Land	554,088,586	0	202,524
Improvements	855,816,101	0	14
Personal Property	4,100,472	0	22,317,057
Fixtures	448,873	0	9,782,038
Aircraft	0	0	0
Total Value	\$1,414,454,032	\$0	\$32,301,633
Exemptions			
Real Estate	15,203,318	0	1,543
Personal Property	177,079	0	116,989
Fixtures	16,778	0	4,148
Aircraft	0	0	0
Homeowners*	8,292,200	0	0
Total Exemptions*	\$15,397,175	\$0	\$122,680
Total Net Value	\$1,399,056,857	\$0	\$32,178,953

Combined Values	Total
Total Values	\$1,446,755,665
Total Exemptions	\$15,519,855
Net Total Values	\$1,431,235,810
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 2023/24 Combined Tax Rolls
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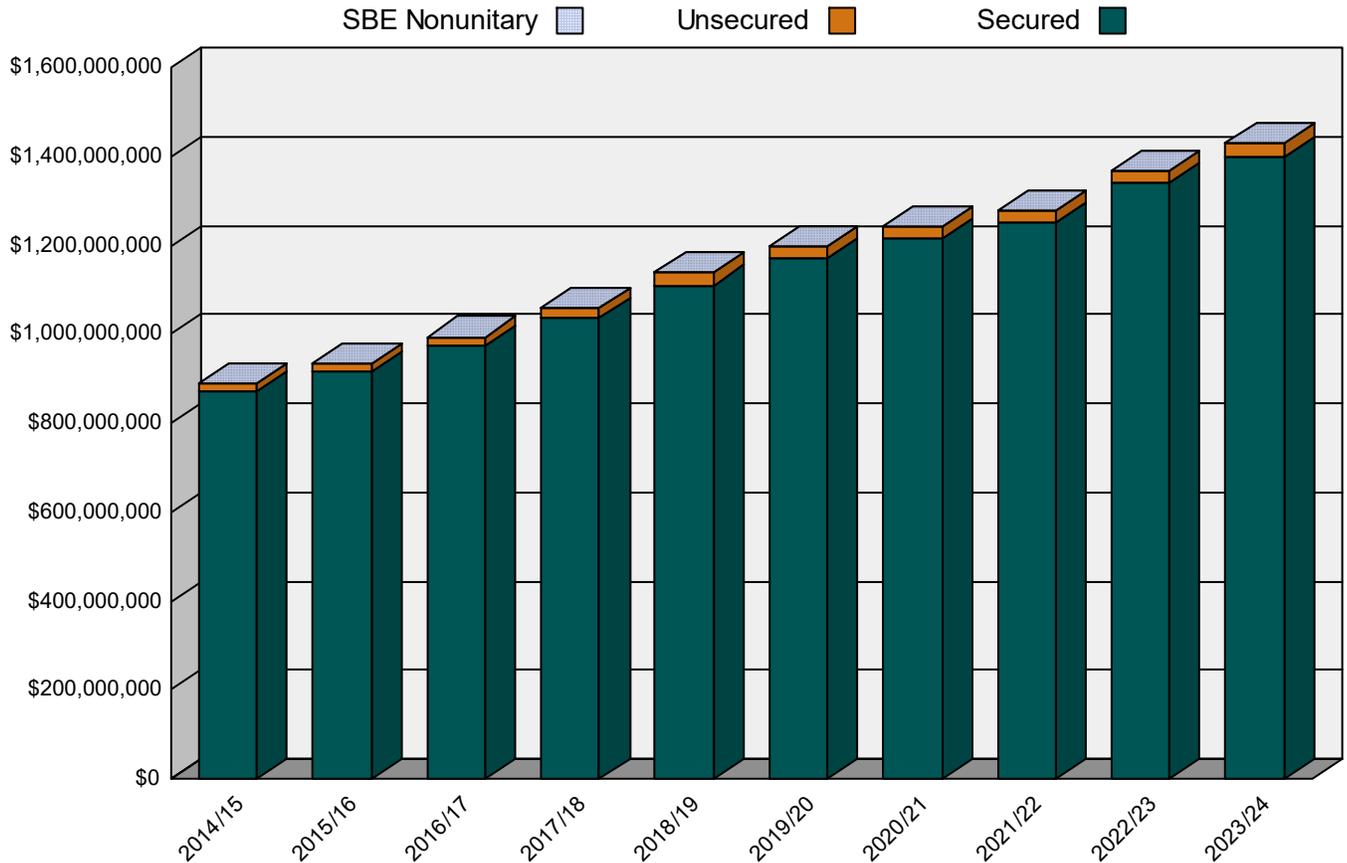
Prepared On 8/19/2024 By MV

THE CITY OF COTATI

NET TAXABLE ASSESSED VALUE HISTORY

2014/15 - 2023/24 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2014/15	\$871,460,968	\$17,928,404	\$0	889,389,372	
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%
2022/23	\$1,340,966,590	\$29,048,406	\$0	1,370,014,996	6.97%
2023/24	\$1,399,056,857	\$32,178,953	\$0	1,431,235,810	4.47%
Annual Growth Rate %					5.43%



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

Annual Growth Rate (CAGR) is calculated as the mean annualized growth rate for compounding values over a given time period.

Data Source: Sonoma County Assessor 0/ - 2023/24 Combined Tax Rolls

Prepared On 8/19/2024 By MV

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THE CITY OF COTATI

ASSESSED VALUE OF TAXABLE PROPERTY

2014/15 - 2023/24 Taxable Property Values

Category	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Residential	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	1,085,421,319	1,137,098,284
Commercial	87,654,176	90,746,880	94,066,325	95,586,147	103,268,500	106,286,851	104,599,685	107,438,126	112,448,021	113,303,647
Industrial	78,236,635	81,062,360	83,370,408	85,606,861	89,805,232	99,333,894	105,403,915	105,974,580	108,065,122	110,306,572
Govt. Owned	0	0	0	0	0	0	0	0	0	0
Institutional	1,665,414	1,713,465	1,734,254	1,839,508	2,104,979	2,320,009	2,366,763	3,010,211	2,517,324	3,395,465
Miscellaneous	539,897	550,450	558,841	570,015	730,838	745,453	760,358	768,232	783,595	1,115,118
Recreational	2,943,234	3,002,039	3,047,819	3,108,774	3,170,949	3,234,367	3,299,054	3,333,231	3,399,894	3,467,891
Vacant	19,926,704	20,298,185	20,714,229	22,084,929	20,156,355	21,367,104	27,077,285	25,614,090	25,107,486	27,055,163
Cross Reference	2,183,346	2,220,244	2,521,139	2,869,097	2,972,313	2,958,262	3,101,052	3,143,284	3,223,829	3,314,717
Unsecured	17,928,404	19,759,670	21,771,776	21,532,517	26,992,115	26,672,022	27,633,799	28,739,628	29,048,406	32,178,953
TOTALS	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	1,370,014,996	1,431,235,810
Total Direct Rate	0.10157	0.10129	0.10117	0.10104	0.10092	0.10073	0.09440	0.09445	0.09714	0.09701

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 2014/15 - 2023/24 Combined Tax Rolls

Prepared On 8/19/2024 By MV

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

THE CITY OF COTATI

2023/24 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	\$21,000,000	1.50%	1	\$1,856,536	5.77%	\$22,856,536	1.60%	Commercial Successor Agency
2) SUNHILL ENTERPRISES LP	2	\$8,940,404	0.64%				\$8,940,404	0.62%	Commercial Successor Agency
3) ARTHUR L AND DIANE R VOLLERT	2	\$7,974,005	0.57%				\$7,974,005	0.56%	Industrial Successor Agency
4) GTY PACIFIC LEASING LLC	2	\$7,458,466	0.53%				\$7,458,466	0.52%	Commercial Successor Agency
5) EMC PROPERTY COMPANY LLC	1	\$5,918,984	0.42%				\$5,918,984	0.41%	Industrial Successor Agency
6) 294 COTATI LLC	1	\$5,911,920	0.42%				\$5,911,920	0.41%	Residential Successor Agency
7) VINEYARD MEADOWS APARTMENTS LP	3	\$5,568,598	0.40%				\$5,568,598	0.39%	Residential City of Cotati General Fund
8) COTATI COMMONS MARKETPLACE LLC	4	\$5,444,503	0.39%				\$5,444,503	0.38%	Vacant Successor Agency
9) REDWOOD SELF STORAGE LLC	1	\$5,433,274	0.39%				\$5,433,274	0.38%	Industrial Successor Agency
10) SANTERO LOFTS LLC	14	\$4,892,582	0.35%				\$4,892,582	0.34%	Residential Successor Agency
Top Ten Total	31	\$78,542,736	5.61%	1	\$1,856,536	5.77%	\$80,399,272	5.61%	
City Total		\$1,400,449,967			\$32,184,474		\$1,432,634,441*		

**Value includes Outer TRAs*

Top Owners last edited on 8/16/24 by maheav using sales through 06/30/24 (Version r.1)

Data Source: Sonoma County Assessor 2023/24 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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 8/19/2024 By MV

THE CITY OF COTATI

2014/15 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	\$18,327,500	2.10%				\$18,327,500	2.06%	Commercial Successor Agency
2) SUNHILL ENTERPRISES LP	2	\$7,117,375	0.82%				\$7,117,375	0.80%	Commercial Successor Agency
3) COLVIN GROUP FUND LP	19	\$5,876,711	0.67%				\$5,876,711	0.66%	Industrial Successor Agency
4) NEWMAN DEV GROUP OF COTATI LLC	4	\$5,575,187	0.64%				\$5,575,187	0.63%	Vacant Successor Agency
5) VINEYARD MEADOWS APARTMENTS LP	3	\$4,729,342	0.54%				\$4,729,342	0.53%	Residential City of Cotati General Fund
6) REDWOOD SELF STORAGE LLC	1	\$4,620,838	0.53%				\$4,620,838	0.52%	Industrial Successor Agency
7) MICHAELA KENNEY TRUST	1	\$4,318,169	0.50%				\$4,318,169	0.49%	Industrial Successor Agency
8) SHAMI APPLE VALLEY LLC	1	\$4,300,000	0.49%				\$4,300,000	0.48%	Commercial Successor Agency
9) STEVE R ORTH TRUST	1	\$3,942,467	0.45%				\$3,942,467	0.44%	Commercial Successor Agency
10) SFI LLC	2	\$3,629,556	0.42%				\$3,629,556	0.41%	Industrial Successor Agency
Top Ten Total	35	\$62,437,145	7.16%	0	\$0	0.00%	\$62,437,145	7.01%	
City Total		\$872,230,554			\$17,928,404		\$890,158,958*		

*Value includes Outer TRAs

Top Owners last edited on 7/25/17 by MaheaV using sales through 06/30/15 (Version r.1)

Data Source: Sonoma County Assessor 2014/15 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 8/19/2024 By MV

THE CITY OF COTATI

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
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	0.16400	0.15100	0.13900	0.16700	0.16500	0.16400	0.15600	0.12600	0.11450	0.11300
Sonoma County Junior College	0.01800	0.01600	0.04000	0.03700	0.03600	0.03700	0.03700	0.03700	0.03500	0.03350
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	1.18900	1.17400	1.18600	1.21100	1.20800	1.20800	1.20000	1.17000	1.15650	1.15350
City's Share of 1% Levy Per Prop 13³	0.10694	0.10661	0.10651	0.10637	0.10624	0.10616	0.10390	0.10390	0.10390	0.10390
Voter Approved City Debt Rate										
Redevelopment Rate⁴										
Total Direct Rate⁵	0.10157	0.10129	0.10117	0.10104	0.10092	0.10073	0.09440	0.09445	0.09714	0.09701

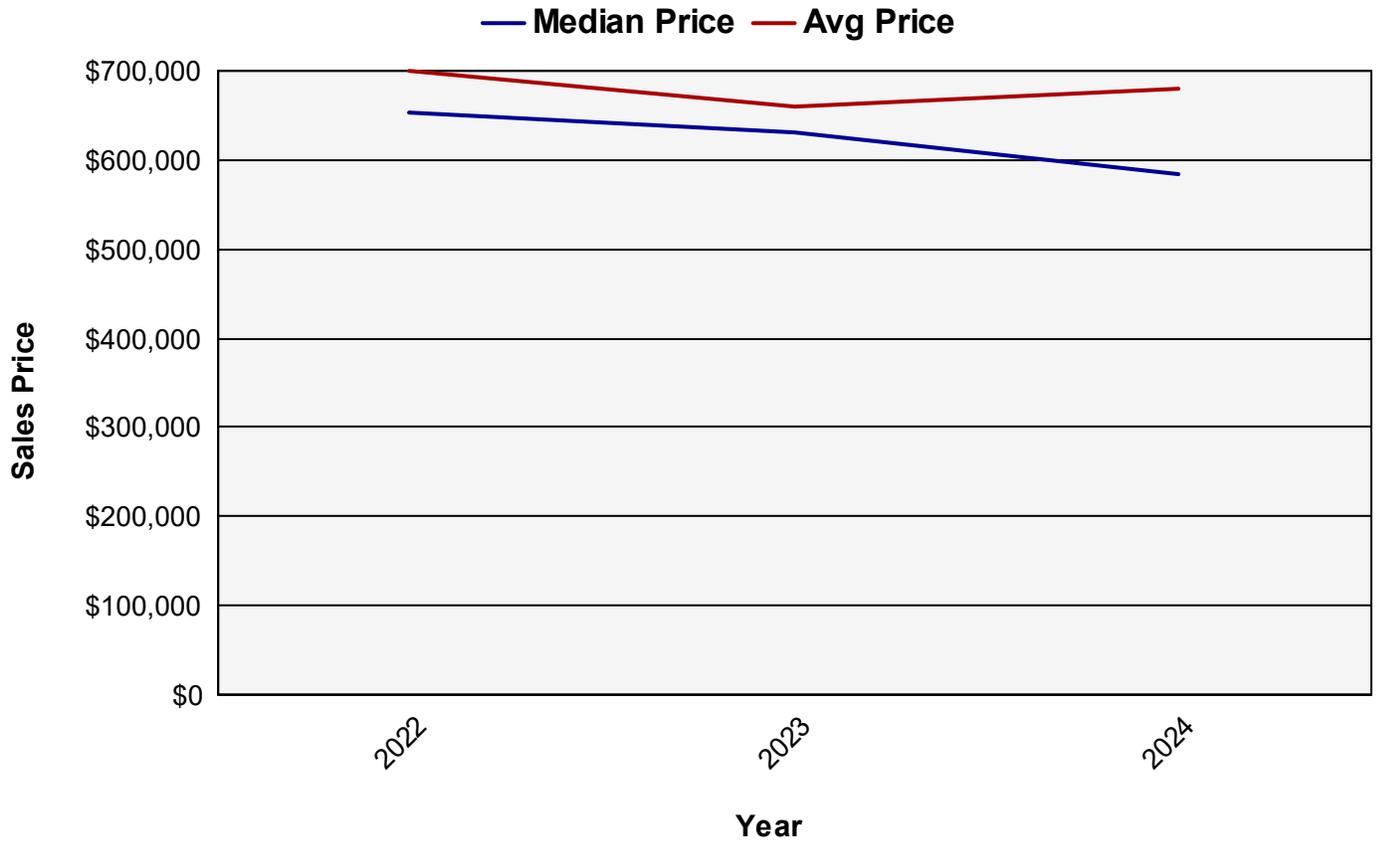
Notes:
¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed 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 01/01/2022 - 7/31/2024)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2022	70	\$699,368	\$652,500	
2023	70	\$659,443	\$630,500	-3.37%
2024	37	\$680,527	\$585,000	-7.22%



* Multiparcel transfers, quitclaim deeds, trust transfers, timeshares, and partial sales are excluded from this analysis.

Data Source: Sonoma County Recorder

Prepared On 8/19/2024 By MV

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CITY OF COTATI
TOP 25 SALES TAX PRODUCERS
FOR CALENDAR YEAR 2023

Business Name	Business Category
76/Circle K	Service Stations
Acme Burger	Quick-Service Restaurants
Chevron	Service Stations
Cotati Chevron	Service Stations
Cotati Gas Mart	Service Stations
Fume Highroad	Cannabis Related
Instrument Technology	Electrical Equipment
Jane Dispensary	Cannabis Related
Livewire Sonoma	Boats/Motorcycles
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	Trailers/RVs
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering	Food Delivery/Catering
San FranStitchco	Textiles/Furnishings
Santa Rosa Hardware	Building Materials
Shamrock Building Materials	Building Materials
Spa World	Specialty Stores
Stone Publishing	Contractors
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Calendar Year Total Paid By Top 25 Accounts = 78.34%

* Firms Listed Alphabetically

Printed 07/10/2024

Period: January 2023 Thru December 2023

Allocations Adjusted for Economic Data

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 CALENDAR YEAR 2014

Business Name	Business Category
Amerigas Propane	Fuel/Ice Dealers
B2 Enterprises	Sporting Goods/Bike Stores
Chevron	Service Stations
Chouinard & Myhre	Business Services
Circle K 76	Service Stations
Cotati Gas & Food Mart	Service Stations
Friar Tucks Pub & Spirits	Casual Dining
Instrument Technology	Electrical Equipment
Le Cache Wine Cabinets	Specialty Stores
Livewire Sonoma	Boats/Motorcycles
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
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering Co	Leisure/Entertainment
Santa Rosa Hardware	Building Materials
Shamrock Materials	Contractors
Sillada Valero	Service Stations
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Calendar Year Total Paid By Top 25 Accounts = 79.78%

* Firms Listed Alphabetically

Printed 07/10/2024

Period: January 2014 Thru December 2014

Allocations Adjusted for Economic Data

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Eating and Drinking Places	\$ 12,917	\$ 12,949	\$ 16,794	\$ 19,385	\$ 20,100	\$ 19,801	\$ 17,634	\$ 21,939	\$ 24,605	\$ 26,152
Auto Dealers and Supplies	3,374	3,930	3,182	2,227	5,339	6,181	5,811	6,218	6,442	5,843
Service Stations	36,400	29,572	28,636	31,764	38,289	37,565	29,497	39,250	47,095	41,743
Other Retail Stores	94,216	98,571	105,649	117,305	122,328	126,797	144,949	150,996	147,693	139,116
All Other Outlets	26,251	27,770	24,237	25,416	24,518	27,949	18,329	23,551	76,462	81,389
	<hr/>									
Total	<u>\$ 173,158</u>	<u>\$ 172,791</u>	<u>\$ 178,498</u>	<u>\$ 196,097</u>	<u>\$ 210,575</u>	<u>\$ 218,293</u>	<u>\$ 216,219</u>	<u>\$ 241,955</u>	<u>\$ 302,297</u>	<u>\$ 294,242</u>

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 COTATI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR FISCAL YEAR 2023/24

2023/24 Assessed Valuation: \$1,431,235,810

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> <u>6/30/24</u>	<u>Total Debt</u> <u>6/30/24</u>	<u>Percent</u> <u>Applicable</u> ⁽¹⁾	<u>City's Share</u> <u>of Debt</u>
Sonoma County Joint Community College District	\$ 367,115,000	1.236%	\$ 4,537,541
Cotati-Rohnert Park Unified School District	155,033,187	15.883	24,623,921
Statewide Community Development Authority Assessment District No. 19-01, Series 2019	1,186,000	100.000	1,186,000
City of Cotati 1915 Act Bonds	3,009,392	100.000	<u>3,009,392</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$33,356,854
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Sonoma County General Fund Obligations	\$ 4,920,000	1.245%	\$ 61,254
Sonoma County Pension Obligation Bonds	183,880,000	1.245	2,289,306
Sonoma County Office of Education General Fund Obligations	2,637,891	1.245	32,842
Cotati-Rohnert Park Unified School District General Fund Obligations	1,328,810	15.883	211,055
City of Cotati General Fund Obligations	10,858,830	100.000	<u>10,858,830</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$13,453,287
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$6,990,954	 99.809%	 \$6,977,601
 TOTAL DIRECT DEBT			 \$ 10,858,830
TOTAL OVERLAPPING DEBT			\$ 42,928,912
 COMBINED TOTAL DEBT			 \$ 53,787,742⁽²⁾

NOTES:

(1)

Ratios to 2023/24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 2.33%
Total Direct Debt..... 0.76%
 Combined Total Debt..... 3.76%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$656,791,898):

Total Overlapping Tax Increment Debt 1.06%

AB:(\$500)

CITY OF COTATI
LEGAL DEBT MARGIN AND INFORMATION
 Last Ten Fiscal Years

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total Assessed Value ^(A)	\$ 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	\$ 1,371,391,219	\$ 1,431,235,810
Debt Limit (15% of Assessed Value)	133,408,406	140,297,259	149,226,868	158,944,748	170,740,817	179,760,712	186,592,825	192,130,952	205,708,683	214,685,372
Debt applicable to Limit: General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin:	\$ 133,408,406	\$ 140,297,259	\$ 149,226,868	\$ 158,944,748	\$ 170,740,817	\$ 179,760,712	\$ 186,592,825	\$ 192,130,952	\$ 205,708,683	\$ 214,685,372
Total net debt applicable to the limit as a percentage of debt limit.	0.00%	0.00%	0.00%	0.02%	0.01%	0.01%	0.01%	3.22%	5.52%	5.06%
Primary Government Long Term Debt										
Lease Obligation	\$ -	\$ -	\$ -	\$ 34,874	\$ 25,521	\$ 18,785	\$ 11,618	\$ 3,993	\$ -	\$ -
City of Cotati Series 2022A	-	-	-	-	-	-	-	2,102,254	7,484,710	7,204,790
City of Cotati Series 2022B	-	-	-	-	-	-	-	4,087,760	3,875,230	3,654,040
Total	\$ -	\$ -	\$ -	\$ 34,874	\$ 25,521	\$ 18,785	\$ 11,618	\$ 6,194,007	\$ 11,359,940	\$ 10,858,830
Ratios of Total Long Term Debt										
Personal Income	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.00%	2.11%	3.57%	2.88%
Per Capita	\$ -	\$ -	\$ -	\$ 5	\$ 3	\$ 2	\$ 2	\$ 837	\$ 1,543	\$ 1,487
Supporting Demographic Information ^(B)										
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Population (Calendar Year)	7,302	7,153	7,272	7,716	7,919	7,533	7,429	7,397	7,360	7,303
Personal Income	\$ 249,130,000	\$ 241,231,000	\$ 237,228,000	\$ 253,562,000	\$ 266,954,000	\$ 270,187,000	\$ 279,386,000	\$ 293,587,000	\$ 318,159,000	\$ 377,098,000
Per Capita Personal Income	34,118	33,724	32,622	32,862	33,711	35,867	37,607	39,690	43,228	51,636

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

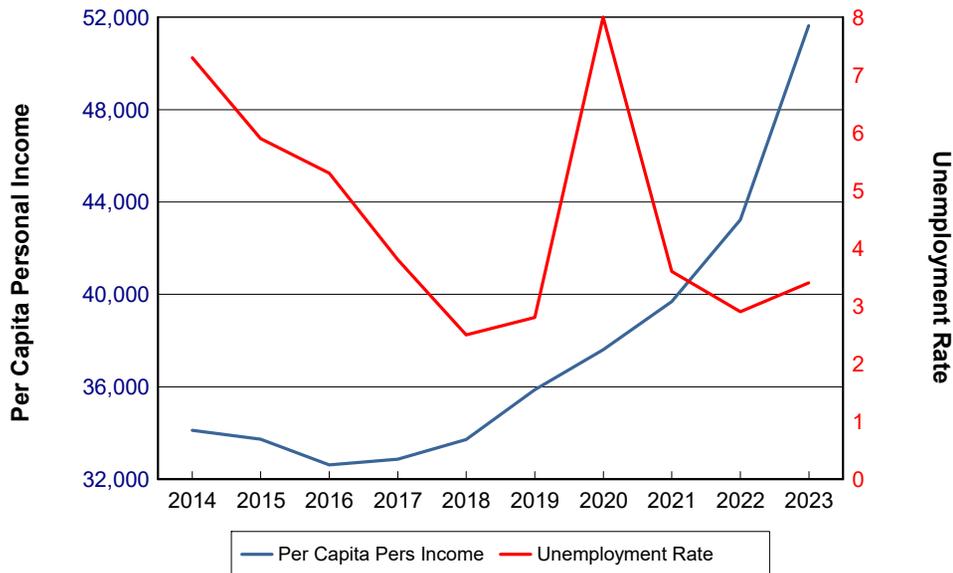
(B) See Demographic Statistics for personal income and population data.

THE CITY OF COTATI

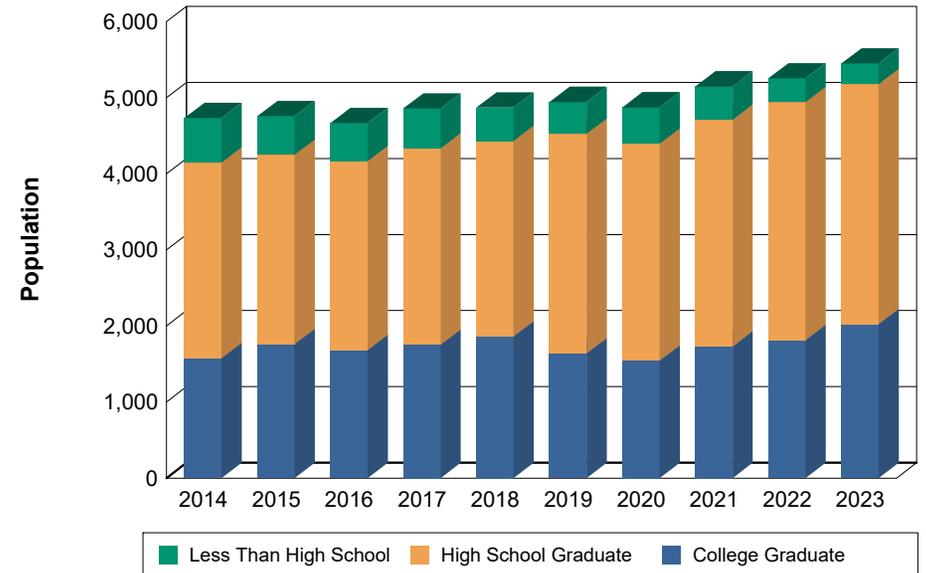
DEMOGRAPHIC AND ECONOMIC STATISTICS

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
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%
2022	7,360	\$318,159	\$43,228	2.9%	37.2	94.0%	34.5%
2023	7,303	\$377,098	\$51,636	3.4%	38.0	95.0%	37.1%

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

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

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Elected Officials	5.00	5.00	5.00	5.00	5.00	2.50	2.50	2.50	2.50	2.50
Staff Positions										
City Manager	3.50	3.50	3.50	3.50	3.50	4.50	4.50	3.00	4.50	4.50
Recreation	1.00	1.50	2.50	2.30	3.20	2.70	2.80	2.80	2.70	2.70
Administrative Services	4.50	4.50	4.50	4.50	3.00	4.50	4.00	4.00	5.50	5.50
Planning & Building	4.00	4.00	4.00	3.00	3.00	3.00	3.70	3.50	4.50	4.50
Public Works	8.00	8.00	8.00	8.00	8.00	9.50	7.60	7.00	9.00	8.50
Police Services	25.50	20.50	19.50	19.50	20.50	20.50	18.60	16.40	22.20	22.90
Total	51.50	47.00	47.00	45.80	46.20	47.20	43.70	39.20	50.90	51.10

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
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%
2022/23	2,025,933	2,087,050	97.1%
2023/24	2,184,506	2,249,182	97.1%



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	23	23	23
Streetlights & vintage street lights	277	277	312	312	312	312	331	331	331	331
Traffic Signals	7	7	8	8	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	432	432	432	432	438	438	438	438

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CotatiCity.gov

City of Cotati
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