



# CITY OF SEBASTOPOL

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019



7120 BODEGA AVENUE SEBASTOPOL, CA 95472



**City of**  
**Sebastopol**  
Sebastopol, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2019*

Prepared by:  
Finance Department



**City of Sebastopol  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2019**

**Table of Contents**

---

	<u>Page</u>
<b><u>FINANCIAL SECTION:</u></b>	
Table of Contents .....	i
Transmittal Letter .....	v
Directory of City Officials.....	ix
Organization Chart.....	x
GFOA Certificate .....	xi
 <b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors’ Report</b> .....	1
<b>Management’s Discussion and Analysis</b> .....	5
 <b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	25
Statement of Activities .....	26
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet.....	32
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	33
Statement of Revenues, Expenditures and Changes in Fund Balances.....	34
Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities .....	35
Proprietary Fund Financial Statements:	
Statement of Net Position.....	38
Statement of Revenues, Expenses and Changes in Net Position.....	39
Statement of Cash Flows .....	40
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position.....	42
Statement of Changes in Fiduciary Net Position.....	43
Notes to Basic Financial Statements.....	45

**City of Sebastopol**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2019**

**Table of Contents, Continued**

---

	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued:</u></b>	
<b>Required Supplementary Information (Unaudited):</b>	
Budgets and Budgetary Accounting.....	83
Defined Benefit Pension Plan:	
Schedule of Proportionate Share of the Net Pension Liability .....	86
Schedule of Contributions .....	86
Other Postemployment Benefits Plan:	
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	87
<b>Supplementary Information:</b>	
Non-Major Governmental Funds:	
Combining Balance Sheet .....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Police Grant Special Revenue Fund.....	100
Gas Tax Special Revenue Fund .....	101
Park in Lieu Special Revenue Fund.....	102
Traffic Impact Special Revenue Fund.....	103
Street Lighting Assessment Special Revenue Fund .....	104
Asset Forfeiture Special Revenue Fund .....	105
Downtown Association Special Revenue Fund.....	106
Art in Lieu Special Revenue Fund .....	107
Measure M Special Revenue Fund.....	108
Housing General Plan Special Revenue Fund .....	109
Street Reserve Special Revenue Fund.....	110
Vehicle Abatement Special Revenue Fund.....	111
Inclusionary and Linkage Housing Special Revenue Fund .....	112
Building Permit Incremental Special Revenue Fund .....	113
Community Development Block Grant Special Revenue Fund .....	114
BSCC 1:4:1 Youth.....	115
SB1 Road and Maintenance .....	116
Non-Major Governmental Funds, Continued:	
Undergrounding Capital Project Fund .....	117
General Capital Project Fund.....	118

**City of Sebastopol**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2019**

**Table of Contents, Continued**

---

	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued:</u></b>	
Woodstone Assessment District Debt Service Fund .....	119
Clean Renewable Energy Debt Service Fund .....	120
 <b><u>STATISTICAL SECTION (Unaudited)</u></b>	
<b>Financial Trends:</b>	
Net Position by Component .....	122
Changes in Net Position .....	124
Fund Balances of Governmental Funds .....	128
Changes in Fund Balances of Governmental Funds .....	130
 <b>Revenue Capacity Information:</b>	
Assessed Value and Estimated Actual Value of Taxable Property .....	132
Direct and Overlapping Property Tax Rates .....	134
Principal Property Taxpayers .....	136
Property Tax Levies and Collections .....	137
 <b>Debt Capacity Information:</b>	
Ratios of Outstanding Debt by Type .....	138
Ratios of General Bonded Debt Outstanding .....	140
Direct and Overlapping Governmental Activities Debt .....	141
Legal Debt Margin Information .....	142
Pledged-Revenue Coverage .....	144
 <b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics .....	146
Principal Employers for City of Sebastopol .....	147
 <b>Operating Information:</b>	
Full-Time Equivalent City Government Employees by Function .....	148
Operating Indicators by Function .....	149
Capital Asset Statistics by Function .....	150

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**City Council**

Mayor Patrick Slayter  
Vice Mayor Una Glass  
Michael Carnacchi  
Sarah Glade Gurney  
Neysa Hinton

**City Manager**

Larry McLaughlin  
lmclaughlin@cityofsebastopol.org  
**Assistant City Manager/City Clerk, MMC**  
Mary Gourley  
mgourley@cityofsebastopol.org

**City of Sebastopol**

December 28, 2019

Honorable Mayor, Members of the Council and Citizens of the City of Sebastopol:

City staff is pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Sebastopol for the fiscal year ended June 30, 2019. This report was prepared by the Administrative Service (Finance) Department, which is responsible for both the accuracy of the data presented, and the completeness of the presentation.

The CAFR includes a complete set of audited financial statements and related explanatory notes to the financial statements that provide additional context for reading the statements, such as accounting policies, as well as detail about summary information presented in the statements. Also, the CAFR includes supplemental information and statistical information to enhance readers' understanding of the City's financial and economic information. The City issues the CAFR within approximately six months after the close of each fiscal year with the intent to meet the goals of fiscal transparency and demonstrate compliance with various sources of external financing, such as state and federal regulations and bond covenants.

City management assumes full responsibility for the completeness and reliability of all of the information contained in this report; and have established a comprehensive framework of internal control to ensure that information is accurate and produced in accordance with generally accepted accounting principles. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's independent auditor, Badawi & Associates, has issued an unmodified ("clean") opinion on the City of Sebastopol financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is presented at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this letter and the financial statements and notes.

**Profile of the City of Sebastopol**

The City of Sebastopol has a population of approximately 7,800 residents; and is located in Sonoma County, California. Sebastopol was incorporated 1902, and operates under a council-manager form of government. Policymaking and legislative authority are vested in the City Council consisting of the Mayor and four other elected Council members. The Council is elected on a non-partisan basis. Council members serve four year staggered terms, with two members elected every two years. The Mayor is elected to serve a one-year term.

The Council is responsible for, among other matters, approving and modifying ordinances, adopting the City budget, appointing committee and commission members, and hiring the City Manager and City Attorney. The City Manager is responsible for assuring compliance with the ordinances, implementing the policies and direction of the City Council, appointing department heads, hiring employees, and managing daily operations of the City.

Sebastopol is a full-service city that provides a wide variety of municipal services to its residents and visitors, including municipal utilities (Water and Wastewater); fire and police protection; construction and maintenance of City streets, storm drains, bridges, and similar infrastructure type assets; park maintenance;

community recreation activities; building inspections; licenses and permits; and facilities. The city also serves as a transportation and economic hub for West Sonoma County.

### **Sebastopol is a City that Cares:**

Sebastopol is a caring community that celebrates inclusion, diversity and sustainable environmental practices; as well as the health and success of its citizens and businesses. Many visitors, from “locals” traveling from the San Francisco Bay Area to interested visitors from around the world, come to Sebastopol to enjoy the natural environment, fine dining, welcoming lodging, and a wide array of recreational and educational activities.

The City is well-known for its leadership efforts in environmental sustainability, and strives to conserve natural resources, notably energy and water. Sebastopol hosts many local events that celebrate the arts and artists, with a robust Community Center that provides an easily accessible space for many local artisans, actors and communicators. A “makers space” is located within the city, and a local technology company has hosted many “makers fairs.” Sebastopol seeks an environment where its citizens and visitors can learn and grow together in a caring, supportive environment.

### **Budget Process:**

The City’s annual budget serves as the foundation for the City of Sebastopol’s financial planning and expenditure control system. All departments of the City submit requests for appropriations to the City Budget Subcommittee each year; these requests serve as a starting point for developing a proposed budget. The City Budget Subcommittee presents a proposed operating and capital budget to the City Council each year. The Council holds public hearings, generally starting in June, to review and receive input on the proposed budget before formal adoption. The budget is adopted by fund, department and account classification. During the year, the City Manager may authorize budget transfers within departments and funds, but only the City Council can approve additional appropriations. Staff provides monthly financial reports to the Council during the year and may prepare a comprehensive budget review at mid-year. Council approves adjustments to the original budget during the year to reflect changing conditions that impact revenues or expenditures.

Budget to actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. The general fund comparison is presented as required supplementary information in a separate section of this report immediately following the notes to the financial statements. For the City’s other governmental-type funds a budget to actual comparison schedule is presented as optional information in the section of this report containing combining financial statements and individual fund schedules.

### **Local Economy**

The City is located in beautiful Sonoma County, approximately sixty miles north of San Francisco. The area attracts many visitors each year, and Sebastopol receives substantial funding from sales taxes and transient occupancy taxes. Attractive recreational opportunities, great food and wine, and specialty retail shops that offer locally made goods bring in many visitors. Warm welcomes and friendly service brings them back!

Local employment prospects are strong; and the City is currently experiencing a historically low unemployment rate. Sales tax budget projections are relatively modest, in the 2% to 3% range, as the City is still gauging the full impact of the February 2019 flooding of its Barlow retail complex.

### **Future Challenges:**

The Fiscal Year 2019-20 budget was challenging to balance due to a combination of various contractual obligations; anticipated increases in pension contributions and insurance costs; as well as softening revenue projections in core areas, with flat property taxes and lower growth in sales taxes.

The City of Sebastopol was negatively impacted by flooding of the Russian River and Laguna de Santa Rosa in February 2019. The flood event was a federally-declared disaster, and necessitated emergency responses by multiple agencies, including the City of Sebastopol's Public Works, Police, Fire, Building and City Administration departments.

The retail hub known as "The Barlow" experienced the most severe economic impacts, and many significant revenue-generating establishments closed operations. The City is actively encouraging re-establishment of business operations where feasible. Many establishments have been restored to full capacity, but current projections of taxable sales remain modest in comparison to prior years' actual growth.

### **Long-Term Financial Planning**

The City annually updates a five-year financial forecast, incorporating both projected revenues and expenditures for the general fund. The City Council adopted a balanced budget (before transfers) for fiscal year 2018-19 and 2019-20. The City has a practice of using moderately conservative revenue projections and adjusts projections at mid-year when necessary. The goals and priorities of the City of Sebastopol are summarized of the most financially-significant items that impacted the budget development as follows:

- I. Maintain core services to the public as a top priority:
  - a. The budget provides for "baseline" funding in core areas, including police, fire, roadways, recreation and development services; and funds administrative efforts to make public communications and decision-making transparent and responsive.
  - b. By policy, funding requests that are above a baseline budget (prior years' minimum operating requirements, contractual obligation plus an inflation factor), will be incorporated in departmental operating budgets based on a cost-to-service benefit analysis.
  - c. Create and charge fair prices for services that are provided on an "as requested" basis, such as planning and development services which are regulated through the user fee schedule. A development impact fees study is underway.
  
- II. Create and maintain appropriate operating budgetary surpluses:
  - a. Anticipated revenues plus beginning fund balances (financing sources) should be higher than appropriations for expenditures plus ending fund balances (financing uses).
  - b. The City's goal of creating and maintaining fund balances while providing for core services is intended to provide a cushion against uncontrollable spikes in costs or unanticipated short-term drops in revenue.
  - c. Planned fund balance uses, besides providing stability when expenses spike or revenues drop, should be limited to taking care of deferred City infrastructure and equipment needs, funding one-time costs to create efficiencies in City programs, and providing pre-funding of longer-term liabilities that will save money in future years.
  - d. The FY 19-20 adopted operating budget meets the City Council's fund balance policy goals and does not fund items above the baseline policy level.
  
- III. Debt financing is limited to achieving operating efficiencies:
  - a. Consistent with the City Council's goal to provide stability for ongoing core service programs.
  - b. The FY 19-20 operating budget provides for no additional debt financing.
  - c. Core programs that require significant infrastructure, like Water and Wastewater may use debt financing for significant capital costs due to the long-term nature of the assets and financing plans.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sebastopol for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The Certificate of

Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, with contents that conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Sebastopol has received the Certificate of Achievement for the last two consecutive years (fiscal years ended 2017 through 2018).

We believe our current report continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to GFOA to determine its eligibility for another certificate. Staff Contributions

### **Acknowledgment**

The preparation of this report would not have been possible without the teamwork and dedication within the City's Administrative Services (Finance) Department staff, and through the cooperation of the entire City staff. City staff members have my sincere appreciation for their contributions. The Mayor and Council Members deserve recognition for their continued support and leadership in maintaining high standards of professionalism in managing the City's finances.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Ana Kwong". The signature is stylized, with the first letter 'A' being a large, looped capital letter. The rest of the name is written in a cursive, flowing script.

Ana Kwong – Administrative Services Director

# CITY OFFICIALS

## City Council:

Neysa Hinton, Mayor  
Patrick Slayter, Vice-Mayor  
Michael Carnacchi  
Una Glass  
Sarah Glade Gurney

## City Staff:

City Manager / City Attorney .....Lawrence McLaughlin  
Assistant City Manager / City Clerk .....Mary Gourley  
Building Official ..... Glenn Schainblatt  
Engineering Manager.....Henry Mikus  
Finance Director ..... Ana Kwong  
Fire Chief ..... William Braga  
Planning Director ..... Kari Svanstrom  
Police Chief .....James Conner  
Public Works Superintendent ..... Dante Del Prete

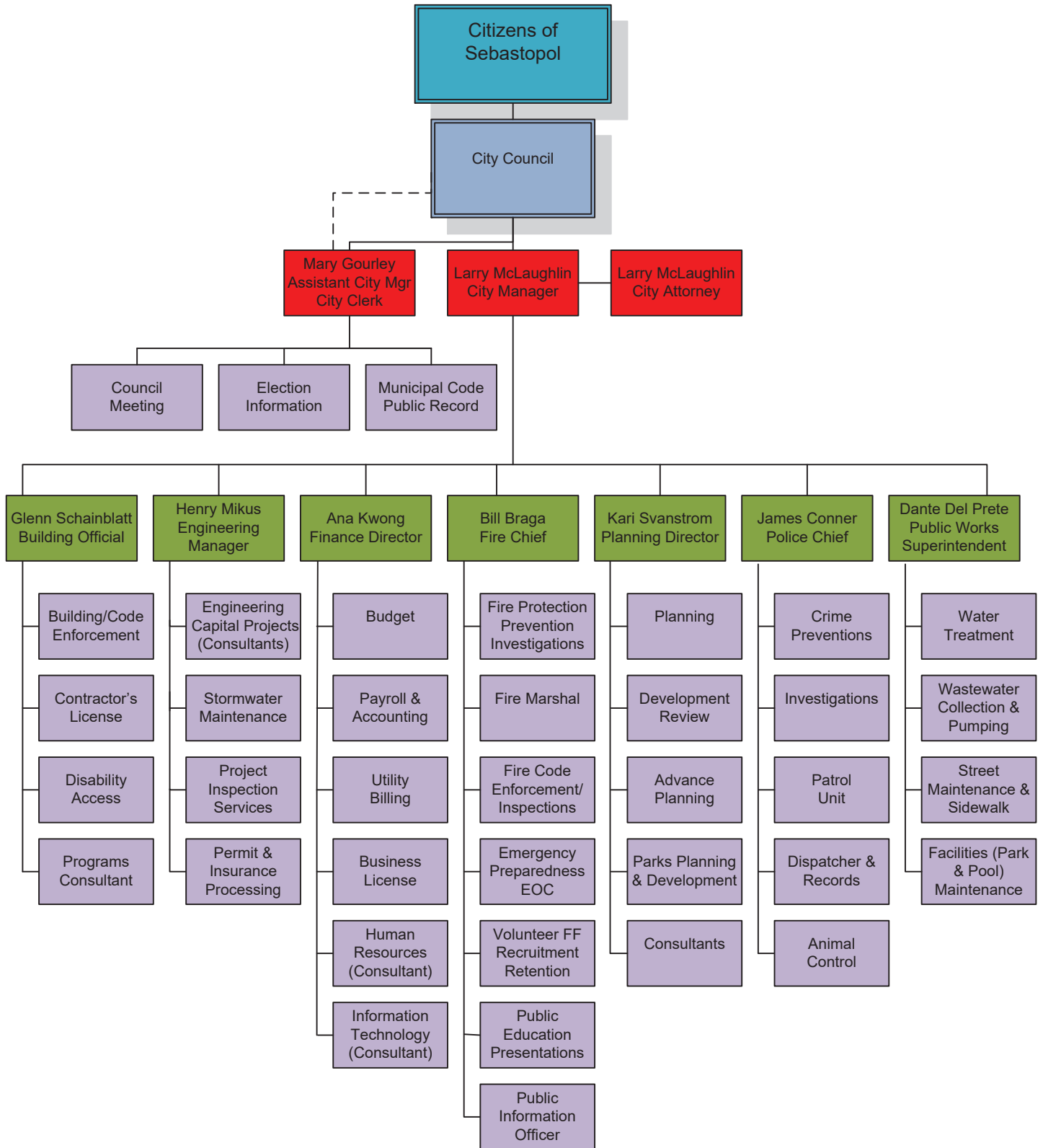
## Advisory Commissions or Committees:

Planning Commission  
Design Review Board  
Public Arts Committee  
Complete Streets Advisory Committee



# City Organization

## City Wide Organization Chart by Function





Government Finance Officers Association

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

Presented to

**City of Sebastopol  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sebastopol, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5-19 and 83-87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 92 to 120 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

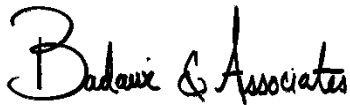
The combining and individual nonmajor fund financial statements, and budgetary comparison schedules on pages 92 to 120 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the budgetary comparison schedules on pages 92 to 120 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Sebastopol  
Sebastopol, California  
Page 3

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2019, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Badawi & Associates  
Certified Public Accountants  
Berkeley, California  
December 28, 2019

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**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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As management of the City of Sebastopol, California (City) we offer readers of the City's financial statements this overview and analysis of the City's financial activities for the fiscal year that began on July 1, 2018 and ended June 30, 2019 (FY18-19). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements, with related notes, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City exceeded the liabilities and deferred inflows by \$17,944,000 (net position) at June 30, 2019: Governmental activities' net position was \$8,413,000; and business-type activities' net position was \$9,531,000.
  - Total net position is categorized as follows:
    - \$15,416,000 is the net investment in capital assets;
    - \$ 1,450,000 is restricted for specific purposes (restricted net position); and,
    - \$ 1,078,000 is the unrestricted net position, the residual of total net position less the other categories of net position. Unrestricted net position, when positive, is used by the city to meet its ongoing obligations to citizens and creditors.
  - For the fiscal year, the net position of governmental activities increased by \$766,000, while business-type net position increased by \$143,000; accounting for a government-wide increase in net position of \$909,000.
  - At June 30, 2019, the city's governmental funds reported a combined ending fund balance of \$10,375,000; an increase of \$1,035,000 from the June 30, 2018 fund balance.
  - The general fund reports fund balance of \$8,602,000 at June 30, 2019; and it is distributed in these categories:
    - 1) \$29,000 is categorized as non-spendable, representing prepaid items.
    - 2) \$3,580,000 is reported as assigned fund balance, indicating the city's intention to use the financial resource for a particular purpose in the future, as follows:
      - Buildings, equipment and infrastructure, \$845,000;
      - Equipment, vehicle and technology replacement, \$995,000; and,
      - Pension and other post-employment liabilities rate stabilization, \$1,740,000.
    - 3) \$4,993,000 is unassigned fund balance, which represents the residual of total fund balance less other categories. It is available for consideration in the budget process.
  - Proprietary funds, in which the city reports two enterprise funds, water and wastewater, reported a combined net position of \$9,531,000 at June 30, 2019; with \$4,458,000 reported as net position of the water fund; and \$5,072,000 reported in the wastewater fund. The city also reports an internal service fund for insurance benefits and benefits, and that fund has a balance of one thousand dollars.

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – a *management's discussion and analysis* (this section); the *basic financial statements, with related notes to the financial statements, required supplementary information*, and a *supplementary information* section that presents *combining statements* for non-major governmental funds. The basic 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 fund's* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.

*Proprietary funds'* statements offer *short-term* 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 more detailed data. The statements are followed by required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major funds, each of which are added together and presented in a single column in the basic financial statements.

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

Figure A-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 explains the structure and content of each of the statements.

**Figure A-1**  
**Major Features of City of Sebastopol'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 administration, police, fire, and streets, 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

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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*Government-wide Financial Statements* are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. These financial statements provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. 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. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). A description of the functions follows:

- **Governmental activities** – Most of the City's basic services are included here, such as the police, fire, public works, parks and community development departments and general administration. Property taxes, sales taxes, transient occupancy taxes, utility user 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.

**Fund Financial Statements** financial information for funds, which are groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds' financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.



**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains individual governmental funds organized according to their type (the general fund and special revenue, capital projects and debt service funds). Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered to be a major fund. Data for the remaining governmental funds are combined into a single, aggregated presentation entitled "non-major governmental funds". The individual and combining fund data for each of these non-major governmental funds is provided as supplementary information in this report.

*Proprietary funds* are services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.

The City reports three proprietary funds: Two enterprise funds account for water and wastewater business-like activities; and one internal service fund accounts for some employee benefits, and insurance services as a governmental activity. Both enterprise funds are considered to be major funds, and as such are reported in separate columns within the proprietary funds' financial statements.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the government's own programs. The City uses one fiduciary fund to account for activities related to its former Redevelopment Agency.

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
(Rounded to the nearest \$1,000)

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position:** The City's combined net position, including both governmental activities and business-type activities is reflected in Table A-1

**Table A-1**  
**City of Sebastopol's Net Position**  
*(rounded, nearest thousand dollars)*

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 11,510,000	\$ 10,619,000	\$ 5,390,000	\$ 5,784,000	\$ 16,900,000	\$ 16,403,000
Capital assets	11,190,000	11,233,000	7,960,000	8,171,000	19,150,000	19,404,000
<b>Total assets</b>	<b>22,700,000</b>	<b>21,852,000</b>	<b>13,350,000</b>	<b>13,955,000</b>	<b>36,050,000</b>	<b>35,807,000</b>
<b>Deferred outflows of Resources</b>						
Deferred Outflows Pension and OPEB	2,641,000	2,857,000	532,000	658,000	3,173,000	3,515,000
<b>Total deferred outflows of resources</b>	<b>2,641,000</b>	<b>2,857,000</b>	<b>532,000</b>	<b>658,000</b>	<b>3,173,000</b>	<b>3,515,000</b>
Current Liabilities	1,368,000	1,370,000	318,000	845,000	1,686,000	2,215,000
Long-term Liabilities	15,040,000	15,493,000	3,951,000	4,230,000	18,991,000	19,723,000
<b>Total liabilities</b>	<b>16,408,000</b>	<b>16,863,000</b>	<b>4,269,000</b>	<b>5,075,000</b>	<b>20,677,000</b>	<b>21,938,000</b>
<b>Deferred inflows of Resources</b>						
Deferred inflows - Pension and OPEB	520,000	198,000	82,000	151,000	602,000	349,000
<b>Total deferred inflows of resources</b>	<b>520,000</b>	<b>198,000</b>	<b>82,000</b>	<b>151,000</b>	<b>602,000</b>	<b>349,000</b>
<b>Net Position</b>						
Invested in capital assets	9,449,000	9,242,000	5,967,000	5,956,000	15,416,000	15,198,000
Restricted	1,450,000	1,661,000	-	-	1,450,000	1,661,000
Unrestricted	(2,486,000)	(3,255,000)	3,564,000	3,431,000	1,078,000	176,000
<b>Total net position (Restated)</b>	<b>\$ 8,413,000</b>	<b>\$ 7,648,000</b>	<b>\$ 9,531,000</b>	<b>\$ 9,387,000</b>	<b>\$ 17,944,000</b>	<b>\$ 17,035,000</b>

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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Total net position, (assets and deferred outflows, less liabilities and deferred inflows), was \$17,944,000 at June 30, 2019. Governmental activities net position was \$8,413,000; and business-type activities' net position was \$9,531,000.

By far, the largest component of the City's net position, \$15,416,000 and 86% of the total, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used, with \$1,450,000 reported as restricted at June 30, 2019.

At June 30, 2019 the City reported negative unrestricted net position for its governmental activities of \$(2,486,000) and a positive net position for business-type activities of \$3,564,000. Government-wide total unrestricted net position is \$1,078,000. The negative unrestricted net position reported for governmental activities is due in large part to noncurrent liabilities related to retirement and retiree medical benefits (OPEB).

Detailed information for the liabilities is provided in more detail in the notes section of this report: Note 10, "Pension Plans;" and Note 11, "Other Post Employment Healthcare Liabilities."

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

**Changes in Net Position:** Table A-2 reflects comparative changes in net position, for both government and business-type activities for fiscal years ended June 30, 2019 and 2018.

**Table A-2**  
**Changes in City of Sebastopol's Net Position**  
**(rounded to nearest thousand dollars)**

	Governmental Activities		Business Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018-19
<b>Revenues</b>							
<b>Program revenues:</b>							
Charges for services	\$ 740,000	\$ 748,000	\$ 5,334,000	\$ 5,298,000	\$ 6,074,000	\$ 6,046,000	0.46%
Grants and contributions	240,000	348,000			240,000	348,000	-31.03%
Capital grants and contributions	381,000	473,000			381,000	473,000	-19.45%
<b>General revenues:</b>							
Property taxes	2,891,000	2,619,000			2,891,000	2,619,000	10.39%
Sales Tax	3,958,000	3,715,000			3,958,000	3,715,000	6.54%
Transient Occupancy Taxes	632,000	530,000			632,000	530,000	19.25%
Franchise and Utility Use Tax	1,153,000	1,156,000			1,153,000	1,156,000	-0.26%
Other income	823,000	524,000	107,000	32,000	930,000	556,000	67.27%
<b>Total revenues</b>	<b>10,818,000</b>	<b>10,113,000</b>	<b>5,442,000</b>	<b>5,330,000</b>	<b>16,259,000</b>	<b>15,443,000</b>	<b>5.28%</b>
<b>Expenses</b>							
General government	2,001,000	2,278,000			2,001,000	2,278,000	-12.16%
Public safety	5,814,000	5,398,000			5,814,000	5,398,000	7.71%
Parks and recreation	976,000	801,000			976,000	801,000	21.85%
Public works	1,220,000	1,302,000			1,220,000	1,302,000	-6.30%
Interest	73,000	73,000			73,000	73,000	0.00%
Water			1,933,000	1,894,000	1,933,000	1,894,000	2.06%
Wastewater			3,334,000	3,091,000	3,334,000	3,091,000	7.86%
<b>Total expenses</b>	<b>10,084,000</b>	<b>9,852,000</b>	<b>5,267,000</b>	<b>4,985,000</b>	<b>15,351,000</b>	<b>14,837,000</b>	<b>3.46%</b>
<b>Increase in net position before transfers and special item</b>	<b>734,000</b>	<b>261,000</b>	<b>175,000</b>	<b>345,000</b>	<b>909,000</b>	<b>606,000</b>	<b>50.00%</b>
<b>Transfers</b>	<b>31,000</b>	<b>32,000</b>	<b>(31,000)</b>	<b>(32,000)</b>	<b>-</b>	<b>-</b>	
<b>Increase (decrease) in net position</b>	<b>765,000</b>	<b>293,000</b>	<b>144,000</b>	<b>313,000</b>	<b>909,000</b>	<b>606,000</b>	<b>50.00%</b>
<b>Net position beginning as restated</b>	<b>7,648,000</b>	<b>7,355,000</b>	<b>9,387,000</b>	<b>9,074,000</b>	<b>17,035,000</b>	<b>16,429,000</b>	<b>3.69%</b>
<b>Net position, Ending</b>	<b>\$ 8,413,000</b>	<b>\$ 7,648,000</b>	<b>\$ 9,531,000</b>	<b>\$ 9,387,000</b>	<b>\$ 17,944,000</b>	<b>\$ 17,035,000</b>	<b>5.34%</b>

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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**Governmental Activities:**

Table A-3 presents the cost of each of the City's largest governmental programs as well as the increase or decrease from the prior year:

**Table A-3**  
**Cost of City Sebastopol's Governmental Activities**  
**(in rounded nearest one hundred dollars)**

	Total Cost of Services		Percentage
	2019	2018	Change
General Government	2,001,000	2,278,000	-12.16%
Public Safety	5,814,000	5,398,000	7.71%
Parks and recreation	976,000	801,000	21.85%
Public Works	1,220,000	1,302,000	-6.30%
Interest on Long term Debt	73,000	73,000	0.00%
<b>Total</b>	<b>10,084,000</b>	<b>9,852,000</b>	<b>2.35%</b>

The shifts between categories reflect changes in service delivery and budget priorities between departments; as well as changes in fee-driven activity that is financed by related charges for services revenue.

Governmental activities' services were financed as follows:

- Those who directly benefitted from the programs paid charges for service of \$740,000;
- Other governments and organizations that subsidized certain programs with operating grants of \$240,000 and capital grants of \$381,000; and,
- Tax revenues totaling \$8,634,000 were primarily comprised of support in the form of property, sales and transient occupancy taxes.
- Interest earnings, miscellaneous revenues and transfers from other funds totaled \$855,000.

The residual amount of governmental activities' revenues less expenses is \$735,000 for fiscal year 2018-19; and when combined with a transfer in from business-type activities of \$31,000, the net position attributed to governmental activities increased by \$766,000.

Total fiscal year 18-19 governmental activities revenues were \$10,819,000, and reflect a \$706,000 increase over the prior year's amount, indicating revenue growth of 7%. General revenues, primarily taxes, grew at a 10% rate, with \$9,458,000 collected in the current year reported, compared with \$8,544,000 collected in the prior year; an increase of \$914,000.

The growth in general revenues is attributed, in large part, to a mild economic recovery that resulted in increased property taxes, \$272,000; gains in sales tax collections of \$243,000; and 2% increased in transient occupancy tax rate increases of \$102,000. The flooding of "The Barlow" retail center in February 2019 had a

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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slightly impacted in sales tax collections. The 7% overall growth is attributed, in part at least, to a rebound from the flat growth experienced in FY 18.

Operating grants and capital grants revenue decreased by \$ 200,000, and is reflective of relatively modest shifts in state funding for specific programs, and the timing of reimbursable work to accomplish programs' objectives.

Governmental Activities' expenses grew by \$232,000, from \$9,852,000 reported for FY 17-18 to \$10,084,000 reported for FY 18-19. This relatively modest growth is due to budgetary constraint. The City Council has implemented fiscal sustainability strategies that call for limiting program growth to create reserves that address long-term funding for pension and other post-employment liabilities.

As noted in our description of the differences between government-wide and fund financial statements, more detail of governmental activities is provided in the fund financial statements that focus on changes in financial resources.

**Business-Type Activities:**

The City's business-type activity is comprised of transactions that occur in the water and wastewater enterprise funds.

For FY 19 net position of business-type activities increased by \$143,000; with a \$316,000 increase in the water fund and a \$173,000 decrease in the wastewater fund. The change in net position represents 1.5% of the combined funds' beginning net position.

The net position increase in the water fund was built into the rates, and planned; as the City anticipates using accumulated fund net position to partially finance future capital replacement needs.

The decreased net position in the wastewater fund was due, in large part, to cost increases for the operation of the sub-regional wastewater treatment plant that are passed on to the City. The sub-regional plant's costs were \$1,674,000 in FY 19, an increase of \$79,000 over the FY 18 costs. The regional treatment costs represent 51% of the wastewater enterprise fund's FY 19 operating expenses of \$3,311,000.

Net position of the water enterprise fund was \$4,459,000 and the net position of the wastewater fund was \$5,072,000, for a combined net position of \$9,531,000 for all business-type activity at June 30, 2019.

Investment in capital assets is the largest category of the business-type activities' net position, with \$5,967,000 and 63% of total net position. The unrestricted net position, total net position less net position invested in capital assets is \$3,564,000 and 37% of the total.

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

The City's governmental funds include the general fund and all non-major funds which are reported in the aggregate in the financial statements. Detail for the individual non-major funds' information is provided in the supplementary information section of this report.

At June 30, 2019, the City's governmental funds reported total fund balances of \$10,375,000, an increase of \$1,035,000 in comparison with the prior year. The total fund balance is reported within these categories:

- \$29,000 is "non-spendable" because the financial resources have been used to fund a prepaid item and therefore are no longer "spendable."
- \$1,450,000 is "restricted," and is only available to spend in accordance with the external restrictions imposed by the funding sources themselves.
- \$436,000 is "committed," and is considered available only for particular purposes already approved by the City Council. Only the City Council can change the purposes for which fund balance was committed, by taking action similar to what is needed to approve budgets.
- \$3,580,000 is "assigned" for a particular future use.
- \$4,880,000 is "unassigned," and as such is considered available to finance future years' budgetary needs at the discretion of the City Council.

**General Fund:**

The general fund is the chief operating fund of the City. During FY 18-19, the general fund balance increased by \$1,153,000; and is \$8,602,000 as of June 30, 2019. Fund balance is distributed in the following categories:

- \$29,000 is "non-spendable" because the financial resources have been used to fund a prepaid item and therefore are no longer "spendable."
- \$3,580,000 is "assigned" for these stated uses:
  - \$ 845,000 for buildings and infrastructure;
  - \$ 995,000 for equipment, technology and vehicle replacement; and,
  - \$1,740,000 for pension and post-employment medical benefits.
- \$4,993,000 is "unassigned," and as such is considered available to finance future years' budgetary needs at the discretion of the City Council.

As a measure of the general fund's liquidity, it may be useful to calculate fund balance as a percentage of annual expenditures: Unassigned general fund balance at June 30, 2019 represents approximately 58% of FY 18-19 general fund expenditures of \$8,643,000.

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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The general fund balance increased by \$1,153,000 during the fiscal year, caused primarily by increases in general revenues that were not anticipated in the budget; and relatively flat departmental expenditures that were anticipated in the City's operating budget. The final budget anticipated a modest increase in fund balance of \$14,100.

Overall, general fund revenues exceeded budget estimates by \$1,027,000. Significant favorable revenue variances were experienced in the following categories: Taxes, \$517,000; investment earnings, \$178,000; charges for services, \$61,000; and miscellaneous, \$211,000.

Favorable tax revenues were caused by higher than expected recovery in property tax, sales tax and transient occupancy taxes. Prior year's activity was hampered by the impacts of the 2017 Sonoma County wildfires.

Investment earnings were favorable due to maintaining higher balances in investment accounts relative to lower-earning operating accounts; and favorable adjustments to fair market value compared to the prior year in which earnings were lower due to negative adjustments to fair market value.

Miscellaneous revenues beat expectations due to a one-time insurance reimbursement for flood damage to the City's Community Center. Charges for services revenue fluctuates with economic activity.

General fund expenditures increased by \$515,000; from \$8,129,000 reported for FY 17-18 to \$8,644,000 for FY 18-19. Modest expenditure growth is the result of a combination of conservative budgetary practices for departmental operations and rising public pension contribution requirements. Details of public pension liabilities and related funding are provided in the notes to the financial statements.

**General Fund Budgetary Highlights**

The general fund's original budget was conservative, with a built-in increase in balance of \$164,000. The final adjusted budget approved by the City Council anticipated a lower increase of fund balance of \$14,100; with the changes made by the City Council reflecting a recognized need for providing enhanced program support. Budget appropriations adjustments include increases for Public Works' maintenance programs (\$50,000); recreation programs (\$20,000); and transfers for street pavement (\$150,000).

Compared to the final budget adopted by the City Council, the change in fund balance for the fiscal year was favorable by \$1,139,000:

- Revenues were higher than budgeted by \$1,027,000;
- Expenditures were lower than budgeted by \$158,000; and,
- Other financing sources and uses category consumed more financial resources than budgeted by (\$46,000).

Favorable revenue results reflect a maturing sales tax base, a stabilizing property tax base, and normal inflationary adjustments for franchise fees. Expenditures that are less than budgeted are indicative of departments' continued commitment to use appropriations only when necessary. A detailed budgetary comparison schedule for the general fund is provided in the required supplementary information section of this report.



**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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**Non-major Governmental Funds:**

Non-major governmental funds, in the aggregate reported June 30, 2019 fund balances of \$1,773,000. Aggregated information of the non-major funds is displayed in the financial statements that also include the major governmental funds. The individual fund information for non-major governmental funds is reported in the combining statements that are found in the supplemental information section of this report.

Overall, non-major funds' fund balance decreased by \$118,000; and the decrease is indicative of the city appropriately applying fund balances accumulated in prior years towards meeting their respective restricted uses. The supplementary information includes a description of each fund, and its financial information.

In the aggregate, non-major funds reported a negative un-assigned fund balance of (\$114,000) at June 30, 2019. The deficit is the result of negative balances in two funds, as detailed in note 8 - A, "deficit balances." Deficit balances are caused primarily by reimbursement revenues and transfers that trail a governmental fund's expenditures by more than 60 days after year-end. The reimbursement revenues, in general, aren't recorded until they are considered "currently available." See note 1, C. "measurement focus and basis of accounting" for a discussion of how the City measures revenues in governmental funds.

**Proprietary Funds – Water and Sewer Enterprise Funds:**

Proprietary fund-type activity is comprised of the water and wastewater enterprise funds. The combined net position at June 30, 2019 is \$9,531,000; with \$5,967,000 representing investment in capital assets net of related debt and \$3,564,000 reported as unrestricted net position.

The changes in these enterprise funds' activities are described in the business-type activities' section of this management discussion and analysis.

**Internal Service Fund:**

The city also reports the insurance and benefits internal service fund within the proprietary category. The fund takes in revenues in the form of charges paid to other funds of the city, and spends those revenues to deliver insurance and other benefits. Ending fund balance of \$1,000 at June 30, 2019 is unchanged for the year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2019 the City had invested \$19,150,000, (net of accumulated depreciation), in a broad range of capital assets, including equipment, vehicles, streets, buildings, park facilities, and water and wastewater systems. This amount represents a net decrease of \$253,000 for FY 19.

Governmental activities' capital asset additions totaled \$798,000; and depreciation on governmental activities' assets was \$841,000 for a net decrease of \$43,000. Business-type activities' capital asset additions totaled \$386,000; and depreciation on business-type capital assets was \$596,000 for a net decrease of \$210,000. Additions to assets were financed in large part by net position or fund balance (dependent on fund type) accumulated in prior years to the respective activity types (business-type or governmental). Detail of the capital asset activity and ending balances can be found in the notes to the financial statements (Note 5 - A).

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

Table A-4 provides a recap of capital asset activity, and detail is provided in the notes to the financial statements (Note 5 – A).

**Table A-4**  
**City of Sebastopol’s Capital Assets**  
**(net of depreciation, in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
Land and CIP	2.42	2.60	0.17	1.09	2.59	3.69	-30%
Buildings & structures	7.33	7.02			7.33	7.02	4%
Machinery and equipment	2.55	2.50			2.55	2.50	2%
Reservoirs		-	3.94	3.94	3.94	3.94	0%
Pipelines & water system		-	4.08	4.03	4.08	4.03	1%
Pipelines & wastewater system		-	8.49	7.27	8.49	7.27	17%
Vehicles	2.65	2.52	0.89	0.84	3.54	3.36	5%
Infrastructure	8.39	7.90			8.39	7.90	6%
Accumulated depreciation	(12.15)	(11.31)	(9.61)	(9.00)	(21.76)	(20.31)	7%
<b>Total</b>	<b>11.19</b>	<b>11.23</b>	<b>7.96</b>	<b>8.17</b>	<b>19.15</b>	<b>19.40</b>	<b>-1%</b>

**Changes in Long-term Liabilities - Debt:**

No new debt was issued during the fiscal year. Detailed information about the City's long-term obligations can be found in the “Notes to the Basic Financial Statements” under section 6 – A.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES:**

The City is continuing to experience a healthy economy as evidenced by the increase in property tax receipts and overall other use taxes. The City continues to operate within its means, with upturns in revenues over the past few years. We have always taken a conservative approach in its spending in order to maintain a balanced budget – for and on behalf of the community and in alignment with the City Council goals and priorities – and will continue to be financially prudent during our annual budgeting process. The City regularly reviews its revenues and expenditures to keep a pulse on its current fiscal health and ensure the adequate protection of the City’s financial resources.

**CITY OF SEBASTOPOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**  
**(Rounded to the nearest \$1,000)**

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For the 2020 fiscal year, (starts July 1, 2019 and ends June 30, 2020) the following budgetary highlights included in the adopted budget follow:

- Projected general fund revenue and transfers in of \$9,294,000 less appropriations for expenditures and transfers out of \$10,566,000 create a general fund use of fund balance of \$1,272,000. The baseline operating budget is covered by conservative estimates of revenue. Transfers out is the primary cause of the use of fund balance, with \$1,100,000 transferred to fund additional set-asides for retirement (\$1,000,000); and catch-up work on deferred maintenance (\$100,000).
- The net position in the water and wastewater funds is not anticipated to change, and revenues will cover operating expenses.
- Special revenue funds are expected to use fund balances due to capital improvements, as anticipated by the funding sources.
- The City of Sebastopol invites interested readers to review the detailed operating budget by visiting the website:

<https://www.ci.sebastopol.ca.us/City-Government/Departments-Services/Finance/City-Audits>

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and 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 the City Treasurer/Administrative Services Director at the City of Sebastopol, 7120 Bodega Avenue, Sebastopol, CA 95472, (707) 823-7863.

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# BASIC FINANCIAL STATEMENTS

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Sebastopol**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 9,997,330	\$ 4,316,138	\$ 14,313,468
Receivables:			
Accounts receivable	52,265	1,019,439	1,071,704
Taxes receivable	965,028	-	965,028
Interest receivable	13,875	-	13,875
Assessment receivable	115,000	-	115,000
Prepaid items	106,539	26,433	132,972
<b>Total current assets</b>	<b>11,250,037</b>	<b>5,362,010</b>	<b>16,612,047</b>
Noncurrent assets:			
Restricted cash and investments with fiscal agents	37,567	25,337	62,904
Notes receivable	222,744	2,473	225,217
Capital assets:			
Non-depreciable	2,419,989	168,543	2,588,532
Depreciable, net	8,769,693	7,791,889	16,561,582
<b>Total capital assets</b>	<b>11,189,682</b>	<b>7,960,432</b>	<b>19,150,114</b>
<b>Total noncurrent assets</b>	<b>11,449,993</b>	<b>7,988,242</b>	<b>19,438,235</b>
<b>Total assets</b>	<b>22,700,030</b>	<b>13,350,252</b>	<b>36,050,282</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	2,489,578	531,754	3,021,332
Deferred outflows of resources - OPEB	151,591	-	151,591
<b>Total deferred outflows of resources</b>	<b>2,641,169</b>	<b>531,754</b>	<b>3,172,923</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	324,136	31,379	355,515
Accrued interest payable	9,145	5,444	14,589
Accrued liabilities	260,695	-	260,695
Deposits payable	202,522	41,852	244,374
Unearned revenues	7,849	-	7,849
Compensated absences - due within one year	300,000	4,000	304,000
Long term debt - due within one year	263,482	234,823	498,305
<b>Total current liabilities</b>	<b>1,367,829</b>	<b>317,498</b>	<b>1,685,327</b>
Noncurrent liabilities:			
Compensated absences - due in more than one year	397,355	32,703	430,058
Long term debt - due in more than one year	1,477,428	1,758,664	3,236,092
Net OPEB liability	3,052,521	-	3,052,521
Net pension liability	10,112,700	2,159,994	12,272,694
<b>Total noncurrent liabilities</b>	<b>15,040,004</b>	<b>3,951,361</b>	<b>18,991,365</b>
<b>Total liabilities</b>	<b>16,407,833</b>	<b>4,268,859</b>	<b>20,676,692</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	385,118	82,258	467,376
Deferred inflows of resources - OPEB	134,715	-	134,715
<b>Total deferred inflows of resources</b>	<b>519,833</b>	<b>82,258</b>	<b>602,091</b>
<b>NET POSITION</b>			
Net investment in capital assets	9,448,772	5,966,945	15,415,717
Restricted for:			
Capital projects	-	-	-
Equipment and infrastructure	141,305	-	141,305
Housing	207,661	-	207,661
Debt service	70,062	-	70,062
Streets	883,131	-	883,131
Other purposes	148,140	-	148,140
<b>Total restricted</b>	<b>1,450,299</b>	<b>-</b>	<b>1,450,299</b>
Unrestricted	(2,485,538)	3,563,944	1,078,406
<b>Total net position</b>	<b>\$ 8,413,533</b>	<b>\$ 9,530,889</b>	<b>\$ 17,944,422</b>

See accompanying Notes to Basic Financial Statements.

**City of Sebastopol**  
**Statement of Activities**  
**For the year ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 2,000,974	\$ 188,613	\$ 50,791	\$ -	\$ 239,404
Public safety	5,813,782	179,531	188,974	-	368,505
Public works	1,220,155	345,425	-	380,700	726,125
Parks and recreation	976,489	26,588	-	-	26,588
Interest on long-term debt	72,530	-	-	-	-
Total governmental activities	10,083,930	740,157	239,765	380,700	1,360,622
<b>Business-type activities:</b>					
Water Services	1,933,059	2,229,367	-	-	2,229,367
Wastewater Services	3,333,798	3,104,920	-	-	3,104,920
Total business-type activities	5,266,857	5,334,287	-	-	5,334,287
<b>Total primary government</b>	<b>\$ 15,350,787</b>	<b>\$ 6,074,444</b>	<b>\$ 239,765</b>	<b>\$ 380,700</b>	<b>\$ 6,694,909</b>

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Transient occupancy taxes

Other taxes

Total taxes

Investment earnings

Miscellaneous

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

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Net (Expense) Revenue  
and Changes in Net Position

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Governmental Activities	Business-Type Activities	Total
\$ (1,761,570)	\$ -	\$ (1,761,570)
(5,445,277)	-	(5,445,277)
(494,030)	-	(494,030)
(949,901)	-	(949,901)
(72,530)	-	(72,530)
<u>(8,723,308)</u>	<u>-</u>	<u>(8,723,308)</u>
-	296,308	296,308
-	(228,878)	(228,878)
-	67,430	67,430
<u>(8,723,308)</u>	<u>67,430</u>	<u>(8,655,878)</u>
2,891,222	-	2,891,222
3,958,244	-	3,958,244
631,742	-	631,742
1,153,243	-	1,153,243
<u>8,634,451</u>	<u>-</u>	<u>8,634,451</u>
259,216	107,261	366,477
563,958	-	563,958
31,024	(31,024)	-
<u>9,488,649</u>	<u>76,237</u>	<u>9,564,886</u>
765,341	143,667	909,008
<u>7,648,192</u>	<u>9,387,222</u>	<u>17,035,414</u>
<u>\$ 8,413,533</u>	<u>\$ 9,530,889</u>	<u>\$ 17,944,422</u>

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

*General Fund* is 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.

**City of Sebastopol**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<u>Major Funds</u>	Non-Major	Total
	<u>General Fund</u>	Governmental Funds	Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 8,195,906	\$ 1,828,628	\$ 10,024,534
Restricted cash and investments	-	37,567	37,567
Accounts receivable	47,279	4,986	52,265
Taxes receivable	933,313	31,715	965,028
Due from other governments	-	-	-
Accrued interest receivable	13,875	-	13,875
Assessment receivable	-	115,000	115,000
Notes receivable	-	222,745	222,745
Due from other funds	100,114	-	100,114
Prepaid items	28,818	-	28,818
<b>Total assets</b>	<u>\$ 9,319,305</u>	<u>\$ 2,240,641</u>	<u>\$ 11,559,946</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 297,978	\$ 15,398	\$ 313,376
Accrued liabilities	214,705	7,285	221,990
Due to other funds	-	100,114	100,114
Unearned revenues	2,313	5,536	7,849
Deposits	202,522	-	202,522
<b>Total liabilities</b>	<u>717,518</u>	<u>128,333</u>	<u>845,851</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	339,277	339,277
<b>Fund Balances:</b>			
Nonspendable	28,818	-	28,818
Restricted:			
Equipment and infrastructure	-	141,305	141,305
Highways and streets	-	883,131	883,131
Public safety	-	16,915	16,915
Community promotion	-	29	29
Debt service	-	70,062	70,062
Affordable housing	-	207,661	207,661
Parks and recreation	-	131,196	131,196
Total restricted	<u>-</u>	<u>1,450,299</u>	<u>1,450,299</u>
Committed:			
Street projects		436,477	436,477
Total committed	<u>-</u>	<u>436,477</u>	<u>436,477</u>
Assigned:			
Buildings, facilities, and infrastructure	845,000	-	845,000
Equipment, technology, and vehicle replacement	994,734	-	994,734
Pension and OPEB	1,739,801	-	1,739,801
Total assigned	<u>3,579,535</u>	<u>-</u>	<u>3,579,535</u>
Unassigned	<u>4,993,434</u>	<u>(113,745)</u>	<u>4,879,689</u>
<b>Total fund balances</b>	<u>8,601,787</u>	<u>1,773,031</u>	<u>10,374,818</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 9,319,305</u>	<u>\$ 2,240,641</u>	<u>\$ 11,559,946</u>

See accompanying Notes to Basic Financial Statements.



**City of Sebastopol**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2019**

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**Total Fund Balances - Total Governmental Funds** **\$ 10,374,818**

Amounts reported for governmental activities in the Statement of Net Position were different

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:

Non-depreciable	\$ 2,419,989
Depreciable, net	8,769,693
	11,189,682
Total capital assets	11,189,682

Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in the Government-Wide Financial Statements.	339,277
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Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	(9,145)
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Internal service funds were used by management to charge the costs of certain activities, such as employee benefits, 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.	1,051
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In the Government-Wide Financial Statements, employer contributions made for pension and OPEB subsequent to the measurement date, certain differences between actuarial amounts and actual results for pension are deferred and are applied to the net pension and OPEB liabilities or amortized in future periods, however these items do not impact the Governmental Funds Balance

Deferred outflows of resources - pension	2,489,578
Deferred outflows of resources - OPEB	151,591
Deferred inflows of resources - pension	(385,118)
Deferred inflows of resources - OPEB	(134,715)

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

Compensated absences - due within one year	(300,000)
Long term debt - due within one year	(263,482)
Compensated absences - due in more than one year	(397,355)
Long term debt - due in more than one year	(1,477,428)
Net OPEB liability	(3,052,521)
Net pension liability	(10,112,700)
	(15,603,486)
Total long-term liabilities	(15,603,486)

**Net Position of Governmental Activities** **\$ 8,413,533**

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**City of Sebastopol**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2019**

	<u>Major Funds</u>	Non-Major	Total
	General Fund	Governmental Funds	Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ 2,714,491	\$ 176,731	\$ 2,891,222
Sales and use taxes	4,832,970	74,922	4,907,892
Transient occupancy tax	631,742	-	631,742
Franchise fees	358,299	-	358,299
Licenses and permits	317,955	6,973	324,928
Fines and forfeitures	55,501	-	55,501
Intergovernmental	46,009	494,751	540,760
Interest and rents	268,242	41,570	309,812
Charges for services	238,527	79,535	318,062
Miscellaneous	545,366	18,185	563,551
<b>Total revenues</b>	<u>10,009,102</u>	<u>892,667</u>	<u>10,901,769</u>
<b>EXPENDITURES:</b>			
Current:			
General government	1,891,430	41,608	1,933,038
Public safety	4,825,602	173,119	4,998,721
Parks and recreation	826,945	-	826,945
Public works	778,151	272,952	1,051,103
Capital outlay	117,006	649,224	766,230
Debt service:			
Principal	152,603	97,016	249,619
Interest	52,068	20,463	72,531
<b>Total expenditures</b>	<u>8,643,805</u>	<u>1,254,382</u>	<u>9,898,187</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,365,297</u>	<u>(361,715)</u>	<u>1,003,582</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	74	967,108	967,182
Transfers out	<u>(212,718)</u>	<u>(723,440)</u>	<u>(936,158)</u>
<b>Total other financing sources (uses)</b>	<u>(212,644)</u>	<u>243,668</u>	<u>31,024</u>
<b>Net change in fund balances</b>	1,152,653	(118,047)	1,034,606
<b>FUND BALANCES:</b>			
Beginning of year	<u>7,449,134</u>	<u>1,891,078</u>	<u>9,340,212</u>
End of year	<u>\$ 8,601,787</u>	<u>\$ 1,773,031</u>	<u>\$ 10,374,818</u>

# City of Sebastopol

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2019

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,034,606</b>
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Amounts reported for governmental activities in the Statement of Activities were different because:

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 useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	798,231
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(841,321)
Employer contributions for pension and OPEB paid after the measurement date were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statements these contributions are deferred.	1,208,603
OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(134,273)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.	
- Principal repayments on long-term liabilities	249,619
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	106,716
Revenues that are not considered to be available are reported as unavailable revenues in the governmental funds, however, these amounts are recognized in the Government-Wide Statement of Activities. This amount represents the change in unavailable revenues.	(83,520)
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense does not require the use of current financial resources, and is not recognized in the governmental funds.	(1,573,322)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 765,341</b>

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## PROPRIETARY FUND FINANCIAL STATEMENTS

*Water Service Fund* accounts for the activities associated with providing water services.

*Wastewater Fund* accounts for the wastewater treatment plant and wastewater pumping stations and collection systems.

**City of Sebastopol**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Enterprise Funds			Insurance and Benefits Internal Service Fund
	Water	Wastewater	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 2,209,148	\$ 2,106,990	\$ 4,316,138	\$ (27,203)
Accounts receivable	431,249	588,190	1,019,439	-
Prepays	26,433	-	26,433	77,721
Total current assets	2,666,830	2,695,180	5,362,010	50,518
Noncurrent assets:				
Restricted cash and investments	25,337	-	25,337	-
Notes receivable	1,326	1,147	2,473	-
Capital assets:				
Non-depreciable	148,650	19,893	168,543	-
Depreciable, net	4,128,343	3,663,546	7,791,889	-
Total capital assets	4,276,993	3,683,439	7,960,432	-
Total noncurrent assets	4,303,656	3,684,586	7,988,242	-
<b>Total assets</b>	<b>6,970,486</b>	<b>6,379,766</b>	<b>13,350,252</b>	<b>50,518</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	272,826	258,928	531,754	-
<b>Total deferred outflows of resources</b>	<b>272,826</b>	<b>258,928</b>	<b>531,754</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	22,842	8,537	31,379	49,467
Accrued interest payable	2,879	2,565	5,444	-
Deposits payable	41,852	-	41,852	-
Compensated absences, due within one year	2,000	2,000	4,000	-
Long term debt, due within one year	166,341	68,482	234,823	-
Total current liabilities	235,914	81,584	317,498	49,467
Noncurrent liabilities:				
Compensated absences, due in more than one year	12,681	20,022	32,703	-
Long term debt, due in more than one year	1,385,810	372,854	1,758,664	-
Net pension liability	1,108,224	1,051,770	2,159,994	-
Total noncurrent liabilities	2,506,715	1,444,646	3,951,361	-
<b>Total liabilities</b>	<b>2,742,629</b>	<b>1,526,230</b>	<b>4,268,859</b>	<b>49,467</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	42,204	40,054	82,258	-
<b>Total deferred inflows of resources</b>	<b>42,204</b>	<b>40,054</b>	<b>82,258</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	2,724,842	3,242,103	5,966,945	-
Unrestricted	1,733,637	1,830,307	3,563,944	1,051
<b>Total net position</b>	<b>\$ 4,458,479</b>	<b>\$ 5,072,410</b>	<b>\$ 9,530,889</b>	<b>\$ 1,051</b>

**City of Sebastopol**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2019**

	Enterprise Funds			Insurance and Benefits Internal Service Fund
	Water	Wastewater	Total	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,228,467	\$ 3,104,920	\$ 5,333,387	\$ 1,528,788
Other revenues	900	-	900	-
<b>Total operating revenues</b>	<b>2,229,367</b>	<b>3,104,920</b>	<b>5,334,287</b>	<b>1,528,788</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	420,984	249,689	670,673	-
Interfund charges for services	874,193	724,321	1,598,514	-
Contractual and other services	81,239	149,060	230,299	858,993
Intergovernmental treatment costs	-	1,674,414	1,674,414	-
Utilities	161,970	40,915	202,885	-
Supplies	115,616	47,331	162,947	-
Insurance, claims, and expenses	36,289	23,608	59,897	669,793
Depreciation	195,236	401,418	596,654	-
<b>Total operating expenses</b>	<b>1,885,527</b>	<b>3,310,756</b>	<b>5,196,283</b>	<b>1,528,786</b>
<b>OPERATING INCOME</b>	<b>343,840</b>	<b>(205,836)</b>	<b>138,004</b>	<b>2</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest expense	(47,532)	(23,042)	(70,574)	-
Interest and investment revenue	51,621	55,640	107,261	-
<b>Total nonoperating revenues (expenses)</b>	<b>4,089</b>	<b>32,598</b>	<b>36,687</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTION AND TRANSFERS</b>	<b>347,929</b>	<b>(173,238)</b>	<b>174,691</b>	<b>2</b>
Transfers out	(31,024)	-	(31,024)	-
<b>Total transfers</b>	<b>(31,024)</b>	<b>-</b>	<b>(31,024)</b>	<b>-</b>
Change in net position	316,905	(173,238)	143,667	2
<b>NET POSITION</b>				
Beginning of year	4,141,574	5,245,648	9,387,222	1,049
End of year	<u>\$ 4,458,479</u>	<u>\$ 5,072,410</u>	<u>\$ 9,530,889</u>	<u>\$ 1,051</u>

**City of Sebastopol**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2019**

	Enterprise Funds			Insurance and Benefit Internal Service Fund
	Water	Wastewater	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 2,236,292	\$ 3,101,292	\$ 5,337,584	\$ -
Cash payments from other funds	-	-	-	1,528,788
Cash received from others	900	-	900	-
Cash payments to suppliers for goods and services	(644,405)	(2,269,431)	(2,913,836)	(1,652,521)
Cash payments to other funds for services	(874,193)	(724,321)	(1,598,514)	-
Cash paid to employees	(410,361)	(241,658)	(652,019)	-
<b>Net cash provided by operating activities</b>	<b>308,233</b>	<b>(134,118)</b>	<b>174,115</b>	<b>(123,733)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(293,898)	(92,510)	(386,408)	-
Long-term debt repayment	(153,858)	(67,075)	(220,933)	-
Interest paid and fiscal charges	(47,532)	(23,042)	(70,574)	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(495,288)</b>	<b>(182,627)</b>	<b>(677,915)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income received	60,670	65,528	126,198	-
<b>Net cash provided by investing activities</b>	<b>60,670</b>	<b>65,528</b>	<b>126,198</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(157,409)</b>	<b>(251,217)</b>	<b>(408,626)</b>	<b>(123,733)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>2,391,894</b>	<b>2,358,207</b>	<b>4,750,101</b>	<b>96,530</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 2,234,485</b>	<b>\$ 2,106,990</b>	<b>\$ 4,341,475</b>	<b>\$ (27,203)</b>
<b>FINANCIAL STATEMENT PRESENTATION:</b>				
Cash and investments	\$ 2,209,148	\$ 2,106,990	4,316,138	\$ (27,203)
Restricted cash and investments	25,337	-	25,337	-
<b>Total</b>	<b>\$ 2,234,485</b>	<b>\$ 2,106,990</b>	<b>\$ 4,341,475</b>	<b>\$ (27,203)</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income	\$ 343,840	\$ (205,836)	\$ 138,004	\$ 2
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	195,236	401,418	596,654	-
Changes in assets and liabilities:				
Accounts receivable	(3,730)	(3,628)	(7,358)	-
Prepays	(26,055)	81	(25,974)	(77,721)
Notes receivable	-	-	-	-
Deferred outflows - pension	64,592	61,619	126,211	-
Accounts payable	(223,236)	(334,184)	(557,420)	(46,014)
Deposits payable	11,555	-	11,555	-
Compensated absences	(2,247)	(3,370)	(5,617)	-
Net pension liability	(16,361)	(16,585)	(32,946)	-
Deferred inflows - pension	(35,361)	(33,633)	(68,994)	-
<b>Total adjustments</b>	<b>(35,607)</b>	<b>71,718</b>	<b>36,111</b>	<b>(123,735)</b>
<b>Net cash provided by operating activities</b>	<b>\$ 308,233</b>	<b>\$ (134,118)</b>	<b>\$ 174,115</b>	<b>\$ (123,733)</b>

See accompanying Notes to Basic Financial Statements.



## FIDUCIARY FUND FINANCIAL STATEMENTS

### **Private Purpose Trust Fund**

*Successor Agency Trust Fund* accounts for assets and liabilities transferred from the City to the Successor Agency Trust Fund.

**City of Sebastopol**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds - Private Purpose Trust Fund**  
**June 30, 2019**

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	Successor Agency Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 421,078
Total assets	<u>421,078</u>
<b>LIABILITIES</b>	
Interest payable	6,823
Bonds payable, due within one year	395,000
Bonds payable, due in more than one year	<u>397,035</u>
Total liabilities	<u>798,858</u>
<b>NET POSITION</b>	
Held in trust for successor agency	<u>(377,780)</u>
<b>Total net position</b>	<u><u>\$ (377,780)</u></u>

**City of Sebastopol**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Private Purpose Trust Fund**  
**For the year ended June 30, 2019**

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	Successor Agency Trust Fund
<b>ADDITIONS:</b>	
Property tax	\$ 743,087
Interest	11,859
<b>Total additions</b>	<u>754,946</u>
<b>DEDUCTIONS:</b>	
Bond interest	52,500
County housing costs	76,925
Administrative costs	250,000
<b>Total Deductions</b>	<u>379,425</u>
<b>Change in net position</b>	375,521
<b>NET POSITION:</b>	
Beginning of year	<u>(753,301)</u>
End of year	<u><u>\$ (377,780)</u></u>

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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Sebastopol, 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 of Sebastopol 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 of Sebastopol has no component units.

**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 equity, 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 Fund Financial Statements**

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

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

A fiduciary fund is used to account for the non-housing successor agency activities of the former redevelopment agency.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

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

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government.

The City reports the following proprietary funds as major:

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

The Wastewater Fund accounts for the operations of the City's wastewater treatment and distribution system.

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

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



**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

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

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City reports a private-purpose trust fund. Private-purpose trust fund account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Fiduciary funds are accounted for using the accrual basis of accounting.

**D. Cash, Cash Equivalents, and Investments**

The City is authorized to invest in the State of California Local Agency Investment Fund, the Sonoma County Treasurer's Pool, U.S. Treasury bonds, bills, and notes, obligations issued by US Government agencies, bankers acceptances, repurchase agreements, certain money market and mutual funds, time deposits and savings and demand accounts. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Measurements - The City categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs. The City has no significant separately held investments and its funds are invested primarily in the Sonoma County Treasurer's Investment Pool.

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.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. *Receivables and Payables***

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

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 fair 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.

**F. *Interfund Balances/Internal Balances***

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a non-spendable fund balance classification in the applicable governmental funds to indicate that they are not available financial resources.

All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as "internal balances."

**G. *Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method of accounting for prepaid items.

**H. *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 \$ 1,000 (\$50,000 for infrastructure type assets) and an estimated useful life in excess of one year. 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, 2003 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.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**H. Capital Assets, Continued**

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.

Depreciation has been provided on a straight-line basis over the following useful lives:

	<u>Years</u>
Public domain infrastructure	50
Buildings and structures	40
System infrastructure	15-40
Vehicles and equipment	5-15

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

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**J. Compensated Absences**

It is the government policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for a portion of unpaid accumulated sick leave since the City does have a policy to pay certain amounts when employees separate from service with the City. All vacation pay and applicable sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund has typically been used to liquidate the liability for compensated absences.

**K. Unearned Revenue**

In the Government-Wide Financial Statements, unearned revenue is recorded for transactions for which revenues have not been earned. In the Fund Financial Statements, unearned revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**L. Long-Term Liabilities**

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other financed obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

**M. Net Position and Fund Equity**

**Government-Wide Financial Statements**

In the Government-Wide Financial Statements, net position is classified in the following categories:

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 Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

**Fund Financial Statements**

In the Fund Financial Statements, the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - This includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

Restricted fund balance - This includes amounts with constraints placed on their use by those external to the City, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - This includes amounts that can only be used for specific purposes determined by formal action of the City Council and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance - This includes amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designated for that purpose.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**M. Net Position and Fund Equity, Continued**

Unassigned fund balance - This is the residual classification that includes amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures are incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by action, which includes passage of a resolution adopting the budget and appropriating revenue for the fiscal year.

**N. Net Position and Fund Equity Flow Assumptions**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City's policy is to apply restricted funds first. Committed, assigned, and unassigned fund balances are considered unrestricted. When an expenditure is incurred, if committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**O. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

**P. 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 City's California Public Employees' Retirement System (CalPERS) plan (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.

**Q. Other Post Employment Health Care 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.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Q. Other Post Employment Health Care Benefits (OPEB), Continued**

Generally accepted accounting principles require 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, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

**R. New Accounting Pronouncements**

In 2019, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 83, *Certain Asset Retirement Obligations* – The objective of this statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* – The objective of this statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The requirements of this statement did not apply to the City for the current fiscal year.

**2. CASH AND INVESTMENTS**

Cash and investments are reported in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 9,997,330	\$ 4,316,138	\$ 421,078	\$ 14,734,546
Restricted cash and investments	37,567	25,337	-	62,904
<b>Total cash and investments</b>	<b>\$ 10,034,897</b>	<b>\$ 4,341,475</b>	<b>\$ 421,078</b>	<b>\$ 14,797,450</b>

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**2. CASH AND INVESTMENTS, Continued**

**A. Summary of Cash and Investments**

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

Deposits:	
Cash on hand	\$ 1,075
Deposits with financial institution	858,592
Total cash on hand and deposits	<u>859,667</u>
Investments	
County of Sonoma Investment Pool	9,754,244
Investments	4,120,635
Total investments	<u>13,874,879</u>
<b>Total City Treasury</b>	<u>14,734,546</u>
Restricted cash and investments:	
Cash with fiscal agent	62,904
Total Restricted cash and investments	<u>62,904</u>
<b>Total cash and investments</b>	<u>\$ 14,797,450</u>

**B. Cash Deposits**

At June 30, 2019, the carrying amount of the City's cash and cash equivalents were comprised of the general checking account which had a book balance of \$858,592 and petty cash of \$1,075. The bank balance in the City's general checking was \$1,324,719, fully insured and collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This 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. The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**2. CASH AND INVESTMENTS, Continued**

**C. Investments**

The City is authorized by State statutes to invest in the following:

- \* U.S. Treasury and U.S. Agency Issues
- \* Certificates of Deposit
- \* California Local Agency Investment Fund (LAIF)
- \* Government Bonds and Notes
- \* Passbook Savings
- \* Bankers Acceptances
- \* Commercial Paper (Corporations)
- \* Medium-Term Corporate Notes
- \* Repurchase Agreements
- \* Mutual Funds

**D. Risk Disclosures**

*Interest Rate Risk:* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date has a greater sensitivity of its fair value to be subject to changes in market interest rates. In accordance with the City's investment policy, exposure to interest rate risk is mitigated by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Cash and investments, including cash with fiscal agents, held in the City by maturity date at June 30, 2019 are shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		<u>Less than 1 year</u>	<u>More than 1 year less than 5 years</u>
Investments:			
Money Market	\$ 141,627	\$ 141,627	\$ -
Certificates of deposits	2,960,396	990,783	1,969,613
Government Bonds	1,018,612	-	1,018,612
<b>Total</b>	<b>\$4,120,635</b>	<b>\$1,132,410</b>	<b>\$ 2,988,225</b>

*Credit Risk:* Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.



**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**2. CASH AND INVESTMENTS, Continued**

*D. Risk Disclosures, Continued*

Presented below is the June 30, 2019 rating which meets the minimum rating required by (where applicable) the California Government Code, the City's Investment Policy, or debt agreements:

Investment Type	Fair Value	AA+	Not Rated
Investments:			
Government Bonds	\$ 1,018,612	500,300	\$ 518,312
Total Investment subject to ratings	1,018,612	<u>\$ 500,300</u>	<u>\$ 518,312</u>
Assets not subject to fair value ratings:			
County of Sonoma - investment pool	9,754,244		
Money market	141,627		
Certificates of deposits	2,960,396		
Total investments	<u>\$ 13,874,879</u>		

*Concentration of Credit Risk:* The investment policy of the City of Sebastopol contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2019 the City did not have investments (other than in external investment pools) that represented 5% or more of the City's total investments.

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the City). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits

*E. Fair Value of Investments*

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that the City's investments be carried at fair value instead of cost. If material, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**2. CASH AND INVESTMENTS, Continued**

**E. Fair Value of Investments, Continued**

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (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. Inputs are assumptions that market participants use when pricing an asset or liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, such as bond valued by a pricing service that uses matrix pricing, pay-fixed receive-variable interest rate swap based on the Long Interbank Offered Rate (LIBOR) swap rate, three-year option on exchange-traded shares, or valuation multiple; Level 3 inputs are significant unobservable inputs. The City's investment in Sonoma County's investment pool was not subject to the levelling disclosure.

Investment fair value measurements at June 30, 2019 are described below:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Certificates of deposits	\$ 2,960,396	\$ -	\$2,960,396	\$ -
Government Bonds	1,018,612	-	1,018,612	-
Total investments subject to levelling	3,979,008	\$ -	\$3,979,008	\$ -
Assets not subject to fair value leveling:				
Money Market	141,627			
County of sonoma - investment pool	9,754,244			
Total investments	\$13,874,879			

**F. Cash and Investments with Fiscal Agents**

Funds deposited with fiscal agents can be held in cash or invested in various securities. The fiscal agents can invest in securities as outlined in trust agreements, provided the investments are within the limits imposed by state statutes. These investments include federal securities, investment agreements, interest-bearing demand or time deposits, commercial paper rated "AA-" or better by Moody's, and money market mutual funds which are rated in the highest category by Moody's. At June 30, 2019, cash and investments with fiscal agents totaled \$62,904.

**G. County of Sonoma Investment Pool**

The City is a voluntary participant in the County of Sonoma Investment Pool (County Pool) 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.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**3. LOANS AND NOTES RECEIVABLE**

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

<u>Party to Loan</u>	<u>Purpose of Loan</u>	<u>Amount</u>
<b>Governmental Activities:</b>		
Individual home buyers	Solar power equipment installation loans	222,744
	Subtotal governmental activities	<u>222,744</u>
<b>Business-Type Activities:</b>		
Sebastopol Industries Park, LLC	Development agreement	<u>2,473</u>
	Total	<u><u>\$ 225,217</u></u>

The \$222,744 solar equipment installation loans are repayable in equal bi-monthly installments over a period of about 33 years by the homeowners, and repayments are made through the City's enterprise utility billing and collection system.

**4. INTERFUND TRANSACTIONS**

**A. Fund Financial Statements**

Due To and Due From

At June 30, 2019, the City had the following short-term interfund receivables and payables:

<u>Due to General Fund</u>	<u>Due From Other Funds</u>
Non-major Funds:	
General Capital Project	\$ 100,114
Total Non-major Funds	<u><u>\$ 100,114</u></u>

Amounts shown as due to and from other funds represent interfund balances that arise in the normal course of operation and are expected to be repaid shortly after the end of the fiscal year.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**4. INTERFUND TRANSACTIONS, Continued**

*A. Fund Financial Statements, Continued*

Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

<u>Transfer Out</u>	<u>Transfer In</u>		<u>Total</u>
	<u>General</u>	<u>Non-Major Govt Funds</u>	
General Fund	\$ -	\$ 212,718	\$ 212,718
Non-major govtl Funds	74	723,366	723,440
<b>Total Governmental</b>	<u>74</u>	<u>936,084</u>	<u>936,158</u>
Water	-	31,024	31,024
<b>Total Enterprise</b>	-	31,024	31,024
<b>Total Transfers out</b>	<u>\$ 74</u>	<u>\$ 967,108</u>	<u>\$ 967,182</u>

Transfers represent funding of various City operations, funding for capital projects, lease payments or debt service, and intrafund transfers of specific departmental operations.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**5. CAPITAL ASSETS**

*A. Government-Wide Financial Statements*

At June 30, 2019, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land and improvements	\$ 2,151,948	\$ 86,440	\$ 2,238,388
Construction in progress	268,041	82,103	350,144
	<u>2,419,989</u>	<u>168,543</u>	<u>2,588,532</u>
Depreciable assets:			
Buildings and structures	7,333,668	-	7,333,668
Machinery and equipment	2,549,168		2,549,168
Reservoirs	-	3,936,358	3,936,358
Pipelines and water distribution system	-	4,082,061	4,082,061
Pipelines and water collection system	-	8,486,244	8,486,244
Vehicles	2,648,882	892,538	3,541,420
Infrastructure	8,390,683	-	8,390,683
	<u>20,922,401</u>	<u>17,397,201</u>	<u>38,319,602</u>
Total depreciable assets	20,922,401	17,397,201	38,319,602
Total accumulated Depreciation	(12,152,708)	(9,605,312)	(21,758,020)
	<u>8,769,693</u>	<u>7,791,889</u>	<u>16,561,582</u>
Total depreciable assets, net	8,769,693	7,791,889	16,561,582
<b>Total</b>	<u>\$ 11,189,682</u>	<u>\$ 7,960,432</u>	<u>\$ 19,150,114</u>

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**5. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of changes in governmental activity capital assets for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Adjustment/ Reclassification	Balance June 30, 2019
Non-depreciable assets:					
Land and improvements	\$ 2,151,948	\$ -	\$ -	\$ -	\$ 2,151,948
Construction in progress	446,727	151,749	-	(330,435)	268,041
<b>Total non-depreciable assets</b>	<b>2,598,675</b>	<b>151,749</b>	<b>-</b>	<b>(330,435)</b>	<b>2,419,989</b>
Depreciable assets:					
Buildings and structures	7,020,688	312,980	-	-	7,333,668
Machinery and equipment	2,503,584	45,584	-	-	2,549,168
Vehicles	2,518,009	130,873	-	-	2,648,882
Infrastructure	7,903,203	157,045	-	330,435	8,390,683
<b>Total depreciable assets</b>	<b>19,945,484</b>	<b>646,482</b>	<b>-</b>	<b>330,435</b>	<b>20,922,401</b>
Less accumulated depreciation:					
Buildings and structures	(5,139,298)	(186,037)	-	-	(5,325,335)
Machinery and equipment	(2,007,025)	(123,359)	-	-	(2,130,384)
Vehicles	(1,488,588)	(132,778)	-	-	(1,621,366)
Infrastructure	(2,676,476)	(399,147)	-	-	(3,075,623)
<b>Total Accumulated depreciation</b>	<b>(11,311,387)</b>	<b>(841,321)</b>	<b>-</b>	<b>-</b>	<b>(12,152,708)</b>
<b>Total Depreciable assets, net</b>	<b>8,634,097</b>	<b>(194,839)</b>	<b>-</b>	<b>330,435</b>	<b>8,769,693</b>
<b>Total governmental activities, net</b>	<b>\$ 11,232,772</b>	<b>\$ (43,090)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,189,682</b>

Governmental activities depreciation expense for capital assets for the year ended June 30, 2019 was as follows:

General government	\$ 211,645
Public safety	135,367
Public works	292,988
Parks and recreation	201,321
<b>Total depreciation expense</b>	<b>\$ 841,321</b>

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**5. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of changes in business-type activity capital assets for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Retirements	Adjustment/ Reclassification	Balance June 30, 2019
Non-depreciable assets:					
Land	\$ 86,440	\$ -	\$ -	\$ -	\$ 86,440
Construction in progress	1,009,048	5,330	-	(932,275)	82,103
Total non-depreciable assets	<u>1,095,488</u>	<u>5,330</u>	<u>-</u>	<u>(932,275)</u>	<u>168,543</u>
Depreciable assets:					
Reservoirs	3,936,358	-	-	-	3,936,358
Pipelines and water distribution system	4,032,717	49,344	-	-	4,082,061
Pipelines and water collection system	7,273,483	280,486	-	932,275	8,486,244
Vehicles	841,290	51,248	-	-	892,538
Total depreciable assets	<u>16,083,848</u>	<u>381,078</u>	<u>-</u>	<u>932,275</u>	<u>17,397,201</u>
Less accumulated depreciation:					
Reservoirs	(1,001,637)	(61,037)	-	-	(1,062,674)
Pipelines and water distribution system	(3,155,427)	(64,010)	-	-	(3,219,437)
Pipelines and water collection system	(4,481,302)	(455,272)	-	-	(4,936,574)
Vehicles	(370,292)	(16,335)	-	-	(386,627)
Total accumulated depreciation	<u>(9,008,658)</u>	<u>(596,654)</u>	<u>-</u>	<u>-</u>	<u>(9,605,312)</u>
Total depreciable assets, net	<u>7,075,190</u>	<u>(215,576)</u>	<u>-</u>	<u>932,275</u>	<u>7,791,889</u>
<b>Total capital assets</b>	<u><u>\$ 8,170,678</u></u>	<u><u>\$ (210,246)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,960,432</u></u>

Business-type activities depreciation expense for capital assets for the year ended June 30, 2019 was as follows:

Water	\$ 195,236
Wastewater	<u>401,418</u>
<b>Total depreciation expense</b>	<u><u>\$ 596,654</u></u>

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**6. LONG-TERM DEBT**

**A. Government-Wide Financial Statements**

**Governmental Activities**

The following is a summary of governmental activity long-term debt transactions during the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More than One Year
Special assessment bonds	\$ 140,000	\$ -	\$ (25,000)	\$ 115,000	\$ 25,000	\$ 90,000
Capital lease-capital projects	608,930	-	(61,037)	547,893	67,177	480,716
Capital lease-renewable energy	683,125	-	(97,589)	585,536	97,590	487,946
Capital lease-mobile home park	476,694	-	(36,085)	440,609	43,323	397,286
Capital lease 911 system	34,768	-	(17,061)	17,707	17,000	707
Capital lease-vector truck	47,012	-	(12,846)	34,166	13,392	20,774
<b>Total</b>	<b>\$ 1,990,529</b>	<b>\$ -</b>	<b>\$ (249,618)</b>	<b>\$ 1,740,911</b>	<b>\$ 263,482</b>	<b>\$ 1,477,429</b>

**Special Assessment Bonds**

The special assessment bonds were issued in an original amount of \$732,475 for the purpose of facilitating improvements to the Woodstone Center. The bonds are secured by assessments levied against property owners within the assessment district and from monies on deposit in a reserve fund. The bonds consist of 4.25 to 6.7 percent serial bonds maturing through September 2, 2023.

The annual debt service requirements on the special assessment bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	25,000	6,956	31,956
2021	25,000	5,338	30,338
2022	30,000	3,721	33,721
2023	35,000	1,941	36,941
<b>Total</b>	<b>\$115,000</b>	<b>\$17,956</b>	<b>\$132,956</b>

**Capital Lease Obligation - Capital Projects**

In the 2006 fiscal year, the city entered into a financing arrangement to obtain \$2,880,000 in funds for future capital projects. The general fund will be responsible for paying debt service on the governmental activities portion of the lease obligation, which is about 41 percent of the total obligation. The water and wastewater enterprises are responsible for paying the other 59 percent of the obligation. The obligation is repayable from any source of legally available funds.



**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**6. LONG-TERM DEBT, Continued**

**A. Government-Wide Financial Statements, Continued**

The annual debt service requirements for the capital lease obligation are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2020	\$ 92,825	\$ 133,744	\$ 226,569
2021	92,825	133,744	226,569
2022	92,825	133,744	226,569
2023	92,825	133,744	226,569
2024	92,825	133,744	226,569
2025-2026	185,650	267,488	453,138
Total minimum lease payments	649,775	936,208	1,585,983
Less amounts representing interest	(101,882)	(175,519)	(277,401)
<b>Present value of net minimum lease payments</b>	<b>\$ 547,893</b>	<b>\$ 760,689</b>	<b>\$ 1,308,582</b>

**Other Capital Lease Obligations**

Clean Renewable Energy - The City entered into a capital lease arrangement with Municipal Finance Corporation pursuant to approval from the Internal Revenue Service for the issuance of Clean Renewable Energy Bonds in the principal amount of \$2,074,000 for the purpose of obtaining zero interest financing for renewable energy projects of the City. The arrangement provides for the lease of the projects to Municipal Finance Corporation by the City and the sublease of the projects back to the City by Municipal Finance Corporation in exchange for the rental payments by the City. The City's lease payments to Municipal Finance Corporation are payable from any source of legally available funds.

Mobile Home Park - The City also entered into a similar lease financing arrangement with the Municipal Finance Corporation for the purpose of obtaining partial financing for the purchase of an existing mobile home park as part of an open space program of the City. The capital lease was for \$817,500 and it also is payable from any source of legally available funds.

911 System - The City entered into a lease purchase arrangement with the Government Capital Corporation for the purpose of financing the acquisition of a public safety radio system. The system was capitalized as a capital asset and the original lease amount was \$91,894. The lease is payable in annual payments of \$18,379 through 2020, bears interest at 3.5 percent and is secured by the system equipment.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**6. LONG-TERM DEBT, Continued**

**A. Government-Wide Financial Statements, Continued**

Vactor Truck - The City entered into a capital lease arrangement with Holman Capital Corporation for the purpose of financing the acquisition of a sewer cleaning truck in the original lease amount of \$265,000. The lease is payable in annual payments \$14,084 through 2027 and bears interest at 2.25 percent.

Year Ending June 30,	Renewable Energy Lease	Mobile Home Park Lease	911 System Lease	Vactor Truck Lease	Total
2020	97,589	64,584	18,379	14,084	194,636
2021	97,589	64,584	-	14,084	176,257
2022	97,589	64,584	-	7,042	169,215
2023	97,589	64,584	-	-	162,173
2024	97,589	64,584	-	-	162,173
2025-2028	97,591	226,048	-	-	323,639
Total minimum lease payments	585,536	548,968	18,379	35,210	1,188,093
Less amounts representing interest	-	(108,359)	(672)	(1,044)	(110,075)
Present value of net minimum lease payments	\$ 585,536	\$ 440,609	\$ 17,707	\$ 34,166	\$1,078,018

As of June 30, 2019, future minimum lease payments under these capital leases are as follows:

**Business-Type Activities**

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More than One Year
Installment agreement	\$ 1,075,382	\$ -	\$ (44,991)	\$ 1,030,391	\$ 44,991	\$ 985,400
Capital lease-capital projects	848,631	-	(87,942)	760,689	96,788	663,901
Capital lease-vactor truck	142,079	-	(38,535)	103,544	40,177	63,367
State Drinking Water loan	148,328	-	(49,465)	98,863	52,867	45,996
<b>Total</b>	<b>\$ 2,214,420</b>	<b>\$ -</b>	<b>\$ (220,933)</b>	<b>\$ 1,993,487</b>	<b>\$ 234,823</b>	<b>\$ 1,758,664</b>

**Installment Sale Agreement**

The City in fiscal 2015 entered into an installment sale agreement with Municipal Finance Corporation for obtaining financing to assist in the removal of arsenic from water well seven and its treatment system. The agreement was for \$1,200,000, bears interest at 4.10 percent on the basis of a 360 day year, is repayable in annual installments of \$89,082, and matures in 20 years. The installment agreement is a special obligation of the City repayable solely from the net revenues of its water system; and the City has pledged its water system net revenues for this purpose and for any other parity obligations.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**6. LONG-TERM DEBT, Continued**

**A. Government-Wide Financial Statements, Continued**

The annual debt service requirements for the installment sale agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 46,836	\$ 42,246	\$ 89,082
2021	48,755	40,327	89,082
2022	50,755	38,327	89,082
2023	52,836	36,246	89,082
2024	55,002	34,080	89,082
2025-2029	310,745	134,664	445,409
2030-2034	379,889	65,519	445,408
2035	85,573	3,509	89,082
<b>Total</b>	<b>\$ 1,030,391</b>	<b>\$ 394,918</b>	<b>\$ 1,336,227</b>

**Capital Lease Obligations**

Capital Projects - In the 2006 fiscal year, the city entered into a financing arrangement to obtain \$2,880,000 in funds for future capital projects. The general fund will be responsible for paying debt service on the governmental activities portion of the lease obligation, which is about 41 percent of the total obligation. The water and wastewater enterprises are responsible for paying the other 59 percent of the obligation. The obligation is repayable from any source of legally available funds. Future minimum lease payment requirements are on page 66.

Vactor Truck - The City entered into a capital lease arrangement with Holman Capital Corporation for the purpose of financing the acquisition of a sewer cleaning truck in the original lease amount of \$265,000. The lease is payable in annual payments \$14,084 through 2027 and bears interest at 2.25 percent.

As of June 30, 2019, future minimum lease payments under these capital leases are as follows:

Year Ending June 30,	Vactor Truck Lease
2020	\$ 42,252
2021	42,252
2022	21,126
Total minimum lease payments	105,630
Less amounts representing interest	(2,086)
Present value of net minimum lease payments	<u>\$ 103,544</u>

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**6. LONG-TERM DEBT, Continued**

*A. Government-Wide Financial Statements, Continued*

**State Revolving Fund Loan**

The City in fiscal 2015 entered into a \$411,000 loan agreement for a Safe Drinking Water State Revolving Fund Loan. The loan bears interest at 2.085 percent and matures in five years. As of June 30, 2019, the city had drawn down only \$249,339 of the \$411,000 loan commitment.

The annual debt service requirements for the Safe Drinking Water Revolving Fund Loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 49,937	\$ 2,931	\$ 52,868
2021	48,926	1,885	50,811
<b>Total</b>	<b>\$ 98,863</b>	<b>\$ 4,816</b>	<b>\$ 103,679</b>

**7. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for a portion of unpaid accumulated sick leave since the City does have a policy to pay certain amounts when employees separate from service with the City.

A summary of changes in compensated absences for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More than One Year
Governmental activities	\$ 804,071	\$ 193,284	\$ (300,000)	\$ 697,355	\$ 300,000	\$ 397,355
Business-type activities	42,320	383	(6,000)	36,703	4,000	32,703
<b>Total</b>	<b>\$ 846,391</b>	<b>\$ 193,667</b>	<b>\$ (306,000)</b>	<b>\$ 734,058</b>	<b>\$ 304,000</b>	<b>\$ 430,058</b>

**8. OTHER FUND DISCLOSURES**

*A. Deficit Balances*

At June 30, 2019, the funds below had the following deficit fund balance or net position:

Non-major governmental Funds:

Gas Tax	\$ 198
General Capital Project	113,547

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**9. RISK MANAGEMENT**

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

Liabilities of the City are reported in the statement of net position 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 reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The City's only exposure to claim liabilities would be for losses, if any, not covered by REMIF.

There have been no significant changes in insurance coverages in fiscal 2019. Settlements have not exceeded coverage for each of the past three fiscal years. The City has no significant uninsured claim liabilities at June 30, 2019.

**10. PENSION PLANS**

**A. *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 two miscellaneous rate plans and three safety rate plans. 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.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**10. PENSION PLANS, Continued**

**B. 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 55 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.

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

	<b>Miscellaneous</b>		
	<u>Miscellaneous</u>	<u>PEPRA Miscellaneous</u>	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	
Benefit formula	2.0% @ 55	2.0% @ 62	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50 - 55	50 - 55	
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.5%	
Required employee contribution rates	6.886%	6.250%	
Required employer contribution rates	9.409%	6.842%	
Required unfunded liability payment	\$ 391,742	\$ 340	
	<b>Safety</b>		
	<u>Safety Fire</u>	<u>Safety Police</u>	<u>PEPRA Safety</u>
Hire date - Fire	Prior to January 1 2013	Prior to January 1 2013	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0% to 2.7%
Required employee contribution rates	8.987%	8.987%	N/A
Required employer contribution rates	19.416%	19.416%	12.141%
Required unfunded liability payment	\$ 49,448	\$ 445,976	\$ 1,715

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**10. PENSION PLANS, Continued**

***B. Benefits Provided, Continued***

*Contributions* - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an actuarial basis, annually and is effective on July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The General Fund has typically been used to liquidate pension liabilities for governmental funds.

The City's contributions to the Plan for the measurement period ended June 30, 2018 were \$1,187,535.

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

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$12,272,694.

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, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportionate share of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for each Plan as of measurement dates June 30, 2017 and 2018 were as follows:

Proportion - June 30, 2017	0.125641%
Proportion - June 30, 2018	<u>0.127360%</u>
Change - Increase (Decrease)	0.001719%

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**10. PENSION PLANS, Continued**

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

For the year ended June 30, 2019, the City recognized pension expense of \$1,832,253. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Pension contributions subsequent to measurement date	\$ 1,343,860	\$ -
Changes of assumptions	1,290,700	242,551
Differences between expected and actual experience	309,482	25,503
Changes in employer's proportion	1,819	149,882
Differences between the employer's contribution and the employer's proportionate share of contributions	2,330	49,440
Net differences between projected and actual earnings on plan investments	<u>73,141</u>	<u>-</u>
Total	<u>\$ 3,021,332</u>	<u>\$ 467,376</u>

\$1,343,860 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	
<u>Ending June 30:</u>	
2020	\$1,089,531
2021	612,076
2022	(395,241)
2023	(96,272)



**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**10. PENSION PLANS, Continued**

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

*Actuarial Assumptions* – The total pension liability in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return <sup>(1)</sup>	7.15%
Mortality	Derived by CalPERS membership data for all funds

(1) Net of pension plan investment expenses.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov).

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

**10. PENSION PLANS, Continued**

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

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

Asset Class	New Strategic Allocatio	Real Return Years 1 - 10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) An expected inflation of 2.0% used for this period.

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

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -***

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 18,220,986
Current Discount Rate	7.15%
Net Pension Liability	\$ 12,272,694
1% Increase	8.15%
Net Pension Liability	\$ 7,380,767

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

**Payable to the Pension Plan**

At June 30, 2019, the City reported no payable for outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**11. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

*A. Plan Description*

The City administers the City's retired employees' healthcare plan, a single employer defined benefit health care plan. The plan provides medical benefits to eligible retired employees and their beneficiaries. City resolutions and agreements assign the authority to establish and amend benefit provisions to the City. A separate OPEB trust account has not been established by the City for the Plan.

*B. Employees Covered*

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:

Active employees	22
Inactive employees or beneficiaries currently receiving benefits	<u>28</u>
<b>Total</b>	<b>50</b>

*C. Contribution*

The contribution requirements of plan members and the City are established and may be amended by the City. The required contribution is based on a projected pay-as-you-go financing requirements, with additional amounts to prefund benefits determined annually by the City Council. For the measurement period ended June 30, 2018, the City contributed \$87,182 of current year premiums (100% of total premiums) and zero to prefund benefits. Plan members receiving benefits contributed no amounts to the total premiums. The General Fund has typically been used to liquidate OPEB liabilities for governmental funds.

*D. Net OPEB Liability*

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	2.98%
Inflation	2.75%
Salary Increases	3.00%
Mortality <sup>(1)</sup>	Derived by CalPERS membership data for all funds
Healthcare cost trend rates:	5.00%

(1) Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**11. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

*E. Discount Rate*

The discount rate used to measure the total OPEB liability was 2.98%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

*F. Changes in the Total OPEB Liability*

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability
<b>Balance at June 30, 2017</b>	<u>\$ 2,936,402</u>
<b>Changes in the year:</b>	
Service cost	54,769
Interest on the total pension liability	90,545
Differences between actual and expected experience	-
Changes in assumptions	57,987
Benefits paid to retirees	<u>(87,182)</u>
<b>Net changes</b>	<u>116,119</u>
<b>Balance at June 30, 2018</b>	<u><u>\$ 3,052,521</u></u>

*G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

1% Decrease - 1.98%	
Total OPEB liability	\$ 3,485,670
Current Discount Rate - 2.98%	
Total OPEB liability	\$ 3,052,521
1% Increase - 3.98%	
Total OPEB liability	\$ 2,695,087

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**11. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

*H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

1% Decrease - 4%	
Total OPEB liability	\$ 2,922,705
Current Rate - 5%	
Total OPEB liability	\$ 3,052,521
1% Increase - 6%	
Total OPEB liability	\$ 3,205,410

*I. OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB*

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$134,273. For the fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
OPEB contributions subsequent to measurement date	\$ 99,403	\$ -
Changes of assumptions	52,188	134,715
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 151,591</u>	<u>\$ 134,715</u>

The \$99,403 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the Total OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	
<u>                    </u>	
2020	\$ (11,041)
2021	(11,041)
2022	(11,041)
2023	(11,041)
Thereafter	(27,322)

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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**12. JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS**

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

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

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY**

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 Sebastopol that previously reported a redevelopment agency within the financial reporting entity of the City as a blended component unit. The bill provides that upon dissolution of the redevelopment agency, either the City or another unit of 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 the City of Sebastopol elected to have the City become the Successor Agency for the former redevelopment agency non-housing activities and elected to not be the Successor Agency for housing activities of the former agency. Accordingly, all housing related assets and liabilities of the former agency were, effective February 1, 2012, transferred by operation of law to the County of Sonoma.

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

In future years, successor agencies will only be allocated revenues in the amount that is necessary to pay annual estimated installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the former 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 the 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 encumbrance or expenditure 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.

**City of Sebastopol**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2019**

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

Prior to that date, the final seven months of the financial activity of the redevelopment agency continued to be reported in the governmental fund types of the City of Sebastopol. After the date of dissolution, the assets and financial activities of the dissolved redevelopment agency (except for those of the former agency's housing activities that were transferred to the County) are reported in a fiduciary fund (the private-purpose trust fund) in the financial statements of the City of Sebastopol. The assets and liabilities of the private purpose trust are excluded from the government wide statement of net position of the City and the Statement of Activities of the City because fiduciary fund assets are not available in any fashion for use by the City of Sebastopol.

**A. Long-Term Obligations**

Changes in the bonds during the year ended June 30, 2019 were as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More than One Year
Tax allocation refunding bonds	\$ 1,190,000	\$ -	\$ (380,000)	\$ 810,000	\$ 395,000	\$ 415,000
Original issue discount	(26,948)	-	8,983	(17,965)	-	(17,965)
<b>Total</b>	<u>\$ 1,163,052</u>	<u>\$ -</u>	<u>\$ (371,017)</u>	<u>\$ 792,035</u>	<u>\$ 395,000</u>	<u>\$ 397,035</u>

**Tax Allocation Refunding Bonds 2007 Series - Original Issue**

On November 6, 2007, The City's former Development Agency issued \$4,575,000 in subordinate tax allocation bonds, series 2007 to advance refund and retire the Agency's 1997 bond issues. The tax allocation bonds consist of \$4,575,000 in serial bonds bearing interest at rates from 3.3 percent to 4.0 percent. The bonds were secured by a pledge of the former Agency's tax increment revenues.

The annual debt service requirements for the Tax Allocation Refunding Bonds 2007 Series are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 395,000	\$ 28,500	\$ 423,500
2021	415,000	12,500	427,500
<b>Total</b>	<u>\$ 810,000</u>	<u>\$ 41,000</u>	<u>\$ 851,000</u>

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Sebastopol**  
**Required Supplementary Information**  
**For the year ended June 30, 2019**

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**1. BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. Appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function and department. The City manager may make transfers of appropriations within a department. Transfers between departments and other changes require City Council approval. The legal level of control is the department and fund level. The Council made supplemental appropriations during the fiscal year. Encumbrance accounting is not employed in governmental funds.

The following are the budget comparison schedule for the General Fund

**City of Sebastopol**  
**Required Supplementary Information**  
**For the year ended June 30, 2019**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

Budgetary Comparison Schedule - General Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 2,275,375	\$ 2,457,000	\$ 2,660,677	\$ 203,677
Real property transfer	41,000	39,000	53,814	14,814
Transient occupancy tax	500,000	565,250	631,742	66,492
Sales and use	4,626,300	4,635,000	4,832,970	197,970
Franchises	350,200	324,500	358,299	33,799
Subtotal	7,792,875	8,020,750	8,537,502	516,752
Licenses, permits and fees:				
Business licenses	116,000	100,000	106,892	6,892
Animal licenses	7,000	14,500	14,186	(314)
Building permits	150,000	150,000	196,877	46,877
Subtotal	273,000	264,500	317,955	53,455
Fines, forfeitures and penalties:				
Vehicle code	50,000	48,000	34,549	(13,451)
Parking fines	25,000	22,000	-	(22,000)
Other fines	-	-	20,953	20,953
Subtotal	75,000	70,000	55,502	(14,498)
Interest and rentals:				
Investment earnings	30,000	40,000	217,647	177,647
Rent - Cell Tower	43,200	43,200	44,353	1,153
Rent - other	5,000	6,000	6,242	242
Subtotal	78,200	89,200	268,242	179,042
Intergovernmental:				
State motor vehicle in-lieu tax	3,500	3,500	3,737	237
Reimbursements	20,500	21,500	8,032	(13,468)
Other	5,000	-	34,239	34,239
Subtotal	29,000	25,000	46,008	21,008
Charges for current services:				
Sales of publications	1,000	800	686	(114)
Planning fees	40,000	40,000	43,162	3,162
Building inspection	48,000	15,300	13,644	(1,656)
Encroachment Permits	25,000	27,000	35,012	8,012
Public Works Services	5,000	6,000	8,900	2,900
Public Safety Services	45,000	48,000	45,106	(2,894)
Fire Inspection Fees	30,000	27,000	60,385	33,385
Other charges	14,220	13,000	31,632	18,632
Subtotal	208,220	177,100	238,527	61,427
Donations and miscellaneous:				
Redevelopment administration	250,000	250,000	250,000	-
Sale of Land/Building	1,500	1,500	-	(1,500)
Miscellaneous	98,800	84,300	295,366	211,066
Subtotal	350,300	335,800	545,366	209,566
<b>Total revenues</b>	<b>8,806,595</b>	<b>8,982,350</b>	<b>10,009,102</b>	<b>1,026,752</b>

**City of Sebastopol**  
**Required Supplementary Information**  
**For the year ended June 30, 2019**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

Budgetary Comparison Schedule - General Fund, Continued

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Current:				
General Government:				
City Council	216,936	216,001	214,053	1,948
City Manager	177,420	177,420	165,113	12,307
City Attorney	131,891	131,891	100,680	31,211
City Clerk	294,957	294,957	251,910	43,047
Finance and accounting	228,608	236,108	220,223	15,885
Planning	530,912	530,912	409,837	121,075
Building inspection	197,214	197,214	194,445	2,769
General government non-departmental	242,792	242,792	335,170	(92,378)
Subtotal	<u>2,020,730</u>	<u>2,027,295</u>	<u>1,891,431</u>	<u>135,864</u>
Public safety:				
Police protection	3,899,650	3,899,650	3,921,983	(22,333)
Animal control	17,600	17,600	20,156	(2,556)
Fire protection	828,524	828,524	878,214	(49,690)
Fire emergency procedures	4,000	4,000	5,249	(1,249)
Subtotal	<u>4,749,774</u>	<u>4,749,774</u>	<u>4,825,602</u>	<u>(75,828)</u>
Public works:				
Corporation Yard	79,925	79,925	74,993	4,932
Streets Maintenance	425,175	474,875	339,825	135,050
Parking Lots Maintenance	102,500	102,500	122,704	(20,204)
Engineering	232,640	245,640	240,628	5,012
Subtotal	<u>840,240</u>	<u>902,940</u>	<u>778,150</u>	<u>124,790</u>
Parks and recreation:				
Parks & Landscaping Maintenance	384,760	384,760	355,739	29,021
Ives Pool	132,050	132,050	114,688	17,362
Recreation administration and programs	266,400	286,265	356,518	(70,253)
Subtotal	<u>783,210</u>	<u>803,075</u>	<u>826,945</u>	<u>(23,870)</u>
Capital outlay	92,550	114,350	117,006	(2,656)
Debt service:				
Principal	158,073	158,073	152,603	5,470
Interest	46,597	46,597	52,068	(5,471)
Subtotal	<u>204,670</u>	<u>204,670</u>	<u>204,671</u>	<u>(1)</u>
<b>Total expenditures</b>	<u>8,691,174</u>	<u>8,802,104</u>	<u>8,643,805</u>	<u>158,299</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>115,421</u>	<u>180,246</u>	<u>1,365,297</u>	<u>1,185,051</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	16,350	16,350	74	(16,276)
Transfers out	32,500	(182,500)	(212,718)	(30,218)
<b>Total other financing sources (uses)</b>	<u>48,850</u>	<u>(166,150)</u>	<u>(212,644)</u>	<u>(46,494)</u>
<b>Net change in fund balances</b>	<u>\$ 164,271</u>	<u>\$ 14,096</u>	<u>1,152,653</u>	<u>\$ 1,138,557</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>7,449,134</u>	
End of year			<u>\$ 8,601,787</u>	

**City of Sebastopol**  
**Required Supplementary Information**  
**For the year ended June 30, 2019**

**2. DEFINED BENEFIT PENSION PLAN**

**A. Schedule of the City's Proportionate Share of the Net Pension Liability - Last 10 Years\***

Fiscal year:	2019	2018	2017	2016	2015
Measurement date:	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	\$ 12,272,694	\$ 12,460,116	\$ 11,055,177	\$ 8,978,404	\$ 8,365,442
Proportionate share of the net pension liability	0.127360%	0.125641%	0.127760%	0.130805%	0.134439%
Covered payroll	\$ 4,075,272	\$ 3,959,602	\$ 3,816,625	\$ 3,636,221	\$ 3,289,261
Proportionate share of the net pension liability as a percentage of covered payroll	301.15%	314.68%	289.66%	246.92%	254.33%
Plan's share of fiduciary net position as a percentage of total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**B. Schedule of Contributions - Last 10 Years\***

	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Contractually required contribution(actuarially determined)	\$ 1,343,860	\$ 1,187,535	\$ 1,099,458	\$ 920,324	\$ 796,771
Contribution in relation to the actuarially determined contributions	(1,343,860)	(1,187,535)	(1,099,458)	(920,324)	(796,771)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,277,495	\$ 4,075,272	\$ 3,959,602	\$ 3,816,628	\$ 3,636,221
Contributions as a percentage of covered payroll	31.42%	29.14%	27.77%	24.11%	21.91%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable

**City of Sebastopol**  
**Required Supplementary Information**  
**For the year ended June 30, 2019**

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**3. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

*A. Schedule of Changes in the City's Net OPEB Liability and Related Ratios*

Total OPEB Liability	2018	2017
<b>Changes in the year:</b>		
Service cost	54,769	58,870
Interest on the total pension liability	90,545	81,308
Differences between actual and expected experience	-	-
Changes in assumptions	57,987	(168,395)
Benefits paid to retirees	(87,182)	(71,368)
<b>Net changes</b>	<b>116,119</b>	<b>(99,585)</b>
<b>Total OPEB Liability beginning of the year</b>	<b>\$ 2,936,402</b>	<b>\$ 3,035,987</b>
<b>Total OPEB Liability end of the year</b>	<b>\$ 3,052,521</b>	<b>\$ 2,936,402</b>
Covered employee Payroll	3,956,662	3,982,276
City's total OPEB liability as a percentage of covered employee payroll	77.15%	73.74%

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# SUPPLEMENTARY INFORMATION

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Police Grant Fund* accounts for accounts for the revenues and expenditures of State and Federal grants such as State SLESF (Supplemental Law Enforcement Services Fund).

*Gas Tax Fund* accounts for funds from the State of California under the Street and Highway Code Sections 2103, 2105, 2106, 2107 and 2107.5. The use of funds is restricted to street related projects, which can include related public facilities for non-motorized traffic, e.g. bike and pedestrian paths.

*Park in Lieu* receives revenue from new residential and hotel development, to mitigate the impact of such new development on City park and recreation facilities. The use of revenues from the Fund is restricted to park and recreation capital improvements.

*Traffic Impact* was established to reduce the traffic impacts caused by new development within the City limits and certain public improvements (transportation system infrastructure) and revenue collected from these fees shall be used solely to pay for the City's future construction of facilities or services or reimburse the City for facilities constructed by the City with funds advanced by the City from other sources.

*Street Lighting Assessment* is established to receive special assessment district monies used for maintenance and or servicing of existing and future public lighting facilities, and the installation or construction of public lighting for the maintenance of servicing thereof, including grading, clearing, removal of debris, the installation of curbs and gutters, walls, sidewalks or paving or water, irrigation, drainage or electrical facilities.

*Asset Forfeiture* is used for specified police activities (excluding regular salary) from confiscated assets of convicted drug felons.

*Art in Lieu* accounts for developer contributions in lieu of installation of public art on project sites and income received from art programs and events to fund public artwork, cultural programs, maintenance/conservation, and administrative costs relating to the Art in Public Places Program.

*Measure M* receives funding from the County for construction of eligible transportation projects that improve the quality of roads, sidewalks and bike lanes.

*Housing General Plan* identifies the City's housing conditions and needs, establishes the goals, objectives, and policies that are the foundation of the City's housing and growth strategy.

*Street Reserve* accounts for the tax reserved for local streets and roads.

*Vehicle Abatement* accounts for monies for inspection, mark, or tow the vehicles that appear to be abandoned, non-operable, or not registered.

*Inclusionary and Linkage Housing* accounts for revenue received from fee payment to be used for the exclusive purpose of providing housing affordable to low and moderate income households in the City for construction of three or more new dwelling units, or for the division or subdivision of land into three or more lots for residential use.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS, CONTINUED

*Building Permit Incremental Fund* accounts for revenue receives from construction inspection and plan checks to fund training, certification exams and courses.

*Community Development Block Grant* accounts for revenue and expenditures of CDBG funds awarded by the Department of Housing and Urban Development.

*BSCC 1:4:1 Youth Fund* accounts for monies for the Youth Offender Block Grant.

*SB1 Road and Maintenance Fund* accounts for revenue and expenditures of SB1 monies.

### CAPITAL PROJECTS FUNDS

*General Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

*Undergrounding* is an in-lieu fee paid by development projects, where the City Engineer has determined physical undergrounding of overhead utilities is not practical. The Fund is used for general City utility undergrounding projects.

### DEBT SERVICE FUNDS

*Woodstone Assessment District* is the bonds which were issued to finance construction including street improvements, drainage, streets lights and signalization to the Fairfield Inn (formerly Holiday Inn), and acquisition of certain public improvements specically benefitting properties located within the boundaries of City Assesment District 1992-1 (Woodstone Center).

*Clean Renewable Energy Bonds* is used for projects include solar panels to generate electricity at the City Hall/Library complex, the Police station and at the sewer lift station, and funds to implement projects for pedestrian safety contained in the Street Smart Study.

**City of Sebastopol**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	Police Grants	Gas Tax	Park in Lieu	Traffic Impact
<b>ASSETS</b>				
Cash and investments	\$ 6,709	\$ 2,797	\$ 141,305	\$ 366,567
Restricted cash and investments	-	-	-	-
Accounts receivable	110	-	-	-
Taxes receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Assessment receivable	-	-	-	-
Notes receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 6,819</b>	<b>\$ 2,797</b>	<b>\$ 141,305</b>	<b>\$ 366,567</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCE AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	2	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>3,885</b>	<b>2,995</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund Balances:</b>				
Restricted for :				
Equipment and infrastructure	-	-	141,305	-
Highways and streets	-	-	-	366,567
Public safety	2,934	-	-	-
Community promotion	-	-	-	-
Debt service	-	-	-	-
Affordable housing	-	-	-	-
Parks and recreation	-	-	-	-
Committed for street projects	-	-	-	-
Unassigned	-	(198)	-	-
<b>Total fund balances</b>	<b>2,934</b>	<b>(198)</b>	<b>141,305</b>	<b>366,567</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,819</b>	<b>\$ 2,797</b>	<b>\$ 141,305</b>	<b>\$ 366,567</b>

Special Revenue

Street Lighting Assessment	Asset Forfeiture	Downtown Association	Art in Lieu	Measure M	Housing General Plan	Street Reserve
\$ 10,709	\$ 7,302	\$ 1,469	\$ 132,741	\$ 100,376	\$ 76,359	\$ 412,513
-	-	-	-	-	-	-
84	-	-	-	-	-	-
-	-	-	-	18,329	-	-
-	-	-	-	-	-	-
-	-	-	1,545	-	-	-
<u>\$ 10,793</u>	<u>\$ 7,302</u>	<u>\$ 1,469</u>	<u>\$ 134,286</u>	<u>\$ 118,705</u>	<u>\$ 76,359</u>	<u>\$ 412,513</u>
523	-	1,440	-	-	-	-
-	-	-	-	-	-	-
-	5,536	-	-	-	-	-
<u>930</u>	<u>5,536</u>	<u>1,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	3,090	-	-	-
-	-	-	-	-	-	-
9,863	-	-	-	118,705	-	-
-	1,766	-	-	-	-	-
-	-	29	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	76,359	-
-	-	-	131,196	-	-	-
-	-	-	-	-	-	412,513
-	-	-	-	-	-	-
<u>9,863</u>	<u>1,766</u>	<u>29</u>	<u>131,196</u>	<u>118,705</u>	<u>76,359</u>	<u>412,513</u>
<u>\$ 10,793</u>	<u>\$ 7,302</u>	<u>\$ 1,469</u>	<u>\$ 134,286</u>	<u>\$ 118,705</u>	<u>\$ 76,359</u>	<u>\$ 412,513</u>

**City of Sebastopol**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	Vehicle Abatement	Inclusionary and Linkage Housing	Building Permit Incremental Fund	Community Development Block Grant
<b>ASSETS</b>				
Cash and investments	\$ 2,843	\$ 131,302	\$ 23,964	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	2,033	-	-	-
Taxes receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Assessment receivable	-	-	-	-
Notes receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 4,876</b>	<b>\$ 131,302</b>	<b>\$ 23,964</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCE AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund Balances:</b>				
Restricted for :				
Equipment and infrastructure	-	-	-	-
Highways and streets	-	-	-	-
Public safety	4,876	-	-	-
Community promotion	-	-	-	-
Debt service	-	-	-	-
Affordable housing	-	131,302	-	-
Parks and recreation	-	-	-	-
Committed for street projects	-	-	23,964	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>4,876</b>	<b>131,302</b>	<b>23,964</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,876</b>	<b>\$ 131,302</b>	<b>\$ 23,964</b>	<b>\$ -</b>

Special Revenue		Capital Project		Debt Service		Total Non-Major Governmental Funds
BSCC 1:4:1 Youth	SB1 Road and Maintenance	Undergrounding	General Capital Project	Woodstone Assessment District	Clean Renewable Energy Bonds	
\$ 7,339	\$ 136,856	\$ 237,754	\$ -	\$ (11,650)	\$ 41,373	\$ 1,828,628
-	-	-	-	37,567	-	37,567
-	-	-	-	-	2,759	4,986
-	13,386	-	-	-	-	31,715
-	-	-	-	-	-	-
-	-	-	-	115,000	-	115,000
-	-	-	-	-	221,200	222,745
<u>\$ 7,339</u>	<u>\$ 150,242</u>	<u>\$ 237,754</u>	<u>\$ -</u>	<u>\$ 140,917</u>	<u>\$ 265,332</u>	<u>\$ 2,240,641</u>
-	-	-	13,433	-	-	\$ 15,398
-	-	-	100,114	-	-	100,114
-	-	-	-	-	-	5,536
-	-	-	113,547	-	-	128,333
-	-	-	-	115,000	221,187	339,277
-	-	-	-	-	-	141,305
-	150,242	237,754	-	-	-	883,131
7,339	-	-	-	-	-	16,915
-	-	-	-	-	-	29
-	-	-	-	25,917	44,145	70,062
-	-	-	-	-	-	207,661
-	-	-	-	-	-	131,196
-	-	-	-	-	-	436,477
-	-	-	(113,547)	-	-	(113,745)
<u>7,339</u>	<u>150,242</u>	<u>237,754</u>	<u>(113,547)</u>	<u>25,917</u>	<u>44,145</u>	<u>1,773,031</u>
<u>\$ 7,339</u>	<u>\$ 150,242</u>	<u>\$ 237,754</u>	<u>\$ -</u>	<u>\$ 140,917</u>	<u>\$ 265,332</u>	<u>\$ 2,240,641</u>

**City of Sebastopol**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2019**

	Special Revenue			
	Police Grants	Gas Tax	Park in Lieu	Traffic Impact
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	113,974	156,839	-	75,000
Interest and rents	147	-	4,100	11,279
Charges for services	-	-	19,654	21,572
Miscellaneous	825	-	-	-
<b>Total revenues</b>	<b>114,946</b>	<b>156,839</b>	<b>23,754</b>	<b>107,851</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	3,400	-
Public safety	171,360	-	-	-
Public works	-	162,595	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	20,693	-
Interest	-	-	10,777	-
<b>Total expenditures</b>	<b>171,360</b>	<b>162,595</b>	<b>34,870</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(56,414)</b>	<b>(5,756)</b>	<b>(11,116)</b>	<b>107,851</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	31,918	5,800	-	-
Transfers out	(74)	-	(13,225)	(259,671)
<b>Total other financing sources (uses)</b>	<b>31,844</b>	<b>5,800</b>	<b>(13,225)</b>	<b>(259,671)</b>
<b>Net change in fund balances</b>	<b>(24,570)</b>	<b>44</b>	<b>(24,341)</b>	<b>(151,820)</b>
<b>FUND BALANCES:</b>				
Beginning of the year, as restated	27,504	(242)	165,646	518,387
End of year	\$ 2,934	\$ (198)	\$ 141,305	\$ 366,567



Special Revenue

Street Lighting Assessment	Asset Forfeiture	Downtown Association	Art in Lieu	Measure M	Housing General Plan	Street Reserve
\$ 143,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	74,922	-	-
-	-	6,973	-	-	-	-
-	-	-	-	-	-	-
100	193	55	3,086	2,973	1,698	5,370
-	-	-	3,684	-	5,742	-
-	-	-	-	-	-	-
<u>143,516</u>	<u>193</u>	<u>7,028</u>	<u>6,770</u>	<u>77,895</u>	<u>7,440</u>	<u>5,370</u>
11,150	-	16,040	2,000	-	-	-
-	-	-	-	-	-	-
110,357	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>121,507</u>	<u>-</u>	<u>16,040</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,009	193	(9,012)	4,770	77,895	7,440	5,370
-	-	-	-	-	-	150,000
-	-	-	-	(101,915)	-	-
-	-	-	-	(101,915)	-	150,000
22,009	193	(9,012)	4,770	(24,020)	7,440	155,370
(12,146)	1,573	9,041	126,426	142,725	68,919	257,143
<u>\$ 9,863</u>	<u>\$ 1,766</u>	<u>\$ 29</u>	<u>\$ 131,196</u>	<u>\$ 118,705</u>	<u>\$ 76,359</u>	<u>\$ 412,513</u>

**City of Sebastopol**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2019**

	Special Revenue			
	Vehicle Abatement	Inclusionary and Linkage Housing	Building Permit Incremental Fund	Community Development Block Grant
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Interest and rents	83	4,752	552	-
Charges for services	2,033	9,568	8,761	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>2,116</b>	<b>14,320</b>	<b>9,313</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	7,435	64
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>7,435</b>	<b>64</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,116</b>	<b>14,320</b>	<b>1,878</b>	<b>(64)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	112,956
Transfers out	-	(147,707)	-	(112,892)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(147,707)</b>	<b>-</b>	<b>64</b>
<b>Net change in fund balances</b>	<b>2,116</b>	<b>(133,387)</b>	<b>1,878</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of the year, as restated	2,760	264,689	22,086	-
End of year	\$ 4,876	\$ 131,302	\$ 23,964	\$ -

Special Revenue		Capital Project		Debt Service		Total Non-Major Governmental Funds
BSCC 1:4:1 Youth	SB1 Road and Maintenance	Undergrounding	General Capital Project	Woodstone Assessment District	Clean Renewable Energy Bonds	
\$ -	\$ -	\$ -	\$ -	\$ 33,315	\$ -	\$ 176,731
-	-	-	-	-	-	74,922
-	-	-	-	-	-	6,973
-	148,938	-	-	-	-	494,751
251	1,349	5,582	-	-	-	41,570
-	-	-	-	-	8,521	79,535
-	-	-	17,360	-	-	18,185
251	150,287	5,582	17,360	33,315	8,521	892,667
-	-	-	-	1,519	-	41,608
1,759	-	-	-	-	-	173,119
-	-	-	-	-	-	272,952
-	-	-	649,224	-	-	649,224
-	-	-	-	25,000	51,323	97,016
-	-	-	-	9,686	-	20,463
1,759	-	-	649,224	36,205	51,323	1,254,382
(1,508)	150,287	5,582	(631,864)	(2,890)	(42,802)	(361,715)
-	-	-	635,410	-	31,024	967,108
-	-	-	(87,956)	-	-	(723,440)
-	-	-	547,454	-	31,024	243,668
(1,508)	150,287	5,582	(84,410)	(2,890)	(11,778)	(118,047)
8,847	(45)	232,172	(29,137)	28,807	55,923	1,891,078
\$ 7,339	\$ 150,242	\$ 237,754	\$ (113,547)	\$ 25,917	\$ 44,145	\$ 1,773,031

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Police Grants

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 100,000	\$ 113,974	\$ 13,974
Interest and rents	-	-	147	147
Charges for services	-	800	-	(800)
Miscellaneous	-	-	825	825
<b>Total revenues</b>	<b>-</b>	<b>100,800</b>	<b>114,946</b>	<b>14,146</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	130,550	171,360	(40,810)
<b>Total expenditures</b>	<b>-</b>	<b>130,550</b>	<b>171,360</b>	<b>(40,810)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(29,750)</b>	<b>(56,414)</b>	<b>(26,664)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	10,000	31,918	21,918
Transfers out	-	-	(74)	(74)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>10,000</b>	<b>31,844</b>	<b>21,844</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (19,750)</b>	<b>(24,570)</b>	<b>\$ (4,820)</b>
<b>FUND BALANCES:</b>				
Beginning of the year			27,504	
End of year			<u>\$ 2,934</u>	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Gas Tax**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 171,700	\$ 156,839	\$ (14,861)
<b>Total revenues</b>	<u>-</u>	<u>171,700</u>	<u>156,839</u>	<u>(14,861)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	147,950	162,595	(14,645)
<b>Total expenditures</b>	<u>-</u>	<u>147,950</u>	<u>162,595</u>	<u>(14,645)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>23,750</u>	<u>(5,756)</u>	<u>(29,506)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	32,500	5,800	(26,700)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>32,500</u>	<u>5,800</u>	<u>(26,700)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 56,250</u>	<u>44</u>	<u>\$ (56,206)</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>(242)</u>	
End of year			<u>\$ (198)</u>	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Park in Lieu

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ 1,500	\$ 4,100	\$ 2,600
Charges for services	-	33,000	19,654	(13,346)
<b>Total revenues</b>	-	156,000	23,754	(132,246)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	-	21,709	20,693	1,016
Interest	-	9,761	10,777	(1,016)
<b>Total expenditures</b>	-	31,470	34,870	3,400
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	124,530	(11,116)	(135,646)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(174,900)	(13,225)	161,675
<b>Total other financing sources (uses)</b>	-	(174,900)	(13,225)	161,675
<b>Net change in fund balances</b>	\$ -	\$ (50,370)	(24,341)	\$ 26,029
<b>FUND BALANCES:</b>				
Beginning of the year			165,646	
End of year			\$ 141,305	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Traffic Impact

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 75,000	\$ 75,000
Interest and rents	-	3,700	11,279	7,579
Charges for services	-	24,000	21,572	(2,428)
<b>Total revenues</b>	-	27,700	107,851	80,151
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	27,700	107,851	80,151
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	(511,171)	(259,671)	251,500
<b>Total other financing sources (uses)</b>	-	(511,171)	(259,671)	251,500
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (483,471)</u>	(151,820)	<u>\$ 331,651</u>
<b>FUND BALANCES:</b>				
Beginning of the year			518,387	
End of year			<u>\$ 366,567</u>	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Street Lighting Assessment

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ 144,066	\$ 143,416	\$ (650)
Interest and rents	-	-	100	100
<b>Total revenues</b>	<b>-</b>	<b>144,066</b>	<b>143,516</b>	<b>(550)</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	11,100	11,150	(50)
Public works	-	120,615	110,357	10,258
<b>Total expenditures</b>	<b>-</b>	<b>131,715</b>	<b>121,507</b>	<b>10,208</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>12,351</b>	<b>22,009</b>	<b>9,658</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 12,351</b>	<b>22,009</b>	<b>\$ 9,658</b>
<b>FUND BALANCES:</b>				
Beginning of the year			(12,146)	
End of year			<u>\$ 9,863</u>	



**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Asset Forfeiture**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ -	\$ 193	\$ 193
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>193</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>193</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>193</b>	<b>\$ 193</b>
<b>FUND BALANCES:</b>				
Beginning of the year			1,573	
End of year			\$ 1,766	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Downtown Association

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ -	\$ 7,500	\$ 6,973	\$ (527)
Interest and rents	-	-	55	55
<b>Total revenues</b>	<u>-</u>	<u>7,500</u>	<u>7,028</u>	<u>(472)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	12,000	16,040	(4,040)
<b>Total expenditures</b>	<u>-</u>	<u>12,000</u>	<u>16,040</u>	<u>(4,040)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(4,500)</u>	<u>(9,012)</u>	<u>(4,512)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (4,500)</u>	<u>(9,012)</u>	<u>\$ (4,512)</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>9,041</u>	
End of year			<u>\$ 29</u>	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Art in Lieu

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ -	\$ 3,086	\$ 3,086
Charges for services	-	5,000	3,684	(1,316)
<b>Total revenues</b>	-	5,000	6,770	1,770
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	2,000	(2,000)
<b>Total expenditures</b>	-	-	2,000	(2,000)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	5,000	4,770	(230)
<b>Net change in fund balances</b>	\$ -	\$ 5,000	4,770	\$ (230)
<b>FUND BALANCES:</b>				
Beginning of the year			126,426	
End of year			\$ 131,196	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Measure M**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Sales and use taxes	\$ -	\$ 55,000	\$ 74,922	\$ 19,922
Interest and rents	-	1,500	2,973	1,473
<b>Total revenues</b>	<b>-</b>	<b>56,500</b>	<b>77,895</b>	<b>21,395</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>56,500</b>	<b>77,895</b>	<b>21,395</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(45,541)	(101,915)	(56,374)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(45,541)</b>	<b>(101,915)</b>	<b>(56,374)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 10,959</b>	<b>(24,020)</b>	<b>\$ (34,979)</b>
<b>FUND BALANCES:</b>				
Beginning of the year			142,725	
End of year			\$ 118,705	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Housing General Plan

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ 200	\$ 1,698	\$ 1,498
Charges for services	-	5,000	5,742	742
<b>Total revenues</b>	<b>-</b>	<b>5,200</b>	<b>7,440</b>	<b>2,240</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>5,200</b>	<b>7,440</b>	<b>2,240</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 5,200</b>	<b>7,440</b>	<b>\$ 2,240</b>
<b>FUND BALANCES:</b>				
Beginning of the year			68,919	
End of year			\$ 76,359	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Street Reserve**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ 1,500	\$ 5,370	\$ 3,870
<b>Total revenues</b>	-	1,500	5,370	3,870
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	1,500	5,370	3,870
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	150,000	150,000
Transfers out	-	(87,000)	-	87,000
<b>Total other financing sources (uses)</b>	-	(87,000)	150,000	237,000
<b>Net change in fund balances</b>	\$ -	\$ (85,500)	155,370	\$ 240,870
<b>FUND BALANCES:</b>				
Beginning of the year			257,143	
End of year			\$ 412,513	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Vehicle Abatement**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ 1,200	\$ 2,033	\$ 833
<b>Total revenues</b>	<u>-</u>	<u>1,200</u>	<u>2,116</u>	<u>916</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>1,200</u>	<u>2,116</u>	<u>916</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>2,116</u>	<u>\$ 916</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>2,760</u>	
End of year			<u>\$ 4,876</u>	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Inclusionary and Linkage Housing

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ 1,500	\$ 4,752	\$ 3,252
Charges for services	-	16,000	9,568	(6,432)
<b>Total revenues</b>	-	17,500	14,320	(3,180)
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	17,500	14,320	(3,180)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(138,000)	(147,707)	(9,707)
<b>Total other financing sources (uses)</b>	-	(138,000)	(147,707)	(9,707)
<b>Net change in fund balances</b>	\$ -	\$ (120,500)	(133,387)	\$ (12,887)
<b>FUND BALANCES:</b>				
Beginning of the year			264,689	
End of year			\$ 131,302	



# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Building Permit Incremental Fund

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ -	\$ 552	\$ 552
Charges for services	6,000	6,000	8,761	2,761
<b>Total revenues</b>	<b>6,000</b>	<b>6,000</b>	<b>9,313</b>	<b>3,313</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	7,000	7,435	(435)
<b>Total expenditures</b>	<b>-</b>	<b>7,000</b>	<b>7,435</b>	<b>(435)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,000</b>	<b>(1,000)</b>	<b>1,878</b>	<b>2,878</b>
<b>Net change in fund balances</b>	<b>\$ 6,000</b>	<b>\$ (1,000)</b>	<b>1,878</b>	<b>\$ 2,878</b>
<b>FUND BALANCES:</b>				
Beginning of the year, as restated			22,086	
End of year			\$ 23,964	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Community Development Block Grant

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 172,600	\$ -	\$ (172,600)
<b>Total revenues</b>	-	172,600	-	(172,600)
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	64	(64)
<b>Total expenditures</b>	-	-	64	(64)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	172,600	(64)	(172,664)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	112,956	112,956
Transfers out	-	(146,730)	(112,892)	33,838
<b>Total other financing sources (uses)</b>	-	(146,730)	64	146,794
<b>Net change in fund balances</b>	\$ -	\$ 25,870	-	\$ (25,870)
<b>FUND BALANCES:</b>				
Beginning of the year			-	
End of year			\$ -	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**BSCC 1:4:1 Youth**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and rents	-	-	251	251
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>251</b>	<b>251</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	1,759	1,759
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,759</b>	<b>1,759</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(1,508)</b>	<b>(1,508)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,508)</b>	<b>\$ (1,508)</b>
<b>FUND BALANCES:</b>				
Beginning of the year			8,847	
End of year			\$ 7,339	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**SB1 Road and Maintenance**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 100,000	\$ 148,938	\$ 48,938
Interest and rents	-	-	1,349	1,349
<b>Total revenues</b>	<b>-</b>	<b>100,000</b>	<b>150,287</b>	<b>50,287</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>100,000</b>	<b>150,287</b>	<b>50,287</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>150,287</b>	<b>\$ 150,287</b>
<b>FUND BALANCES:</b>				
Beginning of the year			(45)	
End of year			<u>\$ 150,242</u>	

**City of Sebastopol**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Undergrounding**

**For the year ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest and rents	\$ -	\$ 1,000	\$ 5,582	\$ 4,582
<b>Total revenues</b>	<b>-</b>	<b>1,000</b>	<b>5,582</b>	<b>4,582</b>
<b>EXPENDITURES:</b>				
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>1,000</b>	<b>5,582</b>	<b>4,582</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>5,582</b>	<b>\$ 4,582</b>
<b>FUND BALANCES:</b>				
Beginning of the year			232,172	
End of year			<u>\$ 237,754</u>	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### General Capital Projects

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ -	\$ -	\$ 17,360	\$ 17,360
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>17,360</b>	<b>17,360</b>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	-	649,224	649,224
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>649,224</b>	<b>649,224</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(631,864)</b>	<b>(631,864)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,067,742	635,410	(432,332)
Transfers out	-	-	(87,956)	(87,956)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,067,742</b>	<b>547,454</b>	<b>(520,288)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 1,067,742</b>	<b>(84,410)</b>	<b>\$ (1,152,152)</b>
<b>FUND BALANCES:</b>				
Beginning of the year			(29,137)	
End of year			\$ (113,547)	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Woodstone Assessment District

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ 33,400	\$ 33,315	\$ (85)
<b>Total revenues</b>	<u>-</u>	<u>33,400</u>	<u>33,315</u>	<u>(85)</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	1,519	(1,519)
Debt service:				
Principal	-	25,000	25,000	-
Interest	-	13,530	9,686	3,844
<b>Total expenditures</b>	<u>-</u>	<u>38,530</u>	<u>36,205</u>	<u>2,325</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(5,130)</u>	<u>(2,890)</u>	<u>2,240</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (5,130)</u>	<u>(2,890)</u>	<u>\$ 2,240</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>28,807</u>	
End of year			<u>\$ 25,917</u>	

# City of Sebastopol

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Clean Renewable Energy Bonds

For the year ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 8,520	\$ 8,520
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>8,520</u>	<u>8,520</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ -	-	51,322	(51,322)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>51,322</u>	<u>(51,322)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(42,802)</u>	<u>(42,802)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	31,024	31,024
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>31,024</u>	<u>31,024</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(11,778)</u>	<u>\$ (11,778)</u>
<b>FUND BALANCES:</b>				
Beginning of the year			<u>55,923</u>	
End of year			<u>\$ 44,145</u>	



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# STATISTICAL SECTION

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This part of the City of Sebastopol's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City.

## **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 issues 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.

**CITY OF SEBASTOPOL**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental Activities</b>				
Net Investment In Capital Assets	\$ 1,911,250	\$ 3,598,601	\$ 7,555,847	\$ 7,351,269
Restricted	11,476,901	10,715,129	6,152,199	7,314,525
Unrestricted	(419,478)	(146,947)	1,002,469	1,512,494
<b>Total Governmental Activities Net Position</b>	<b>\$ 12,968,673</b>	<b>\$ 14,166,783</b>	<b>\$ 14,710,515</b>	<b>\$ 16,178,288</b>
<b>Business-Type Activities</b>				
Net Investment In Capital Assets	\$ 6,016,753	\$ 5,668,887	\$ 5,620,805	\$ 5,237,342
Restricted	-	435,861	298,317	576,831
Unrestricted	1,175,594	1,027,213	1,306,809	1,786,572
<b>Total Business-Type Activities Net Position</b>	<b>\$ 7,192,347</b>	<b>\$ 7,131,961</b>	<b>\$ 7,225,931</b>	<b>\$ 7,600,745</b>
<b>Primary Government</b>				
Net Investment In Capital Assets	\$ 7,928,003	\$ 9,267,488	\$ 13,176,652	\$ 12,588,611
Restricted	11,476,901	11,150,990	6,450,516	7,891,356
Unrestricted	756,116	880,266	2,309,278	3,299,066
<b>Total Primary Government Net Position</b>	<b>\$ 20,161,020</b>	<b>\$ 21,298,744</b>	<b>\$ 21,936,446</b>	<b>\$ 23,779,033</b>

Note: The City implemented GASB Statement No. 68 in FY 2015, which required the City to record their net pension liability in the statement of net position.

Source: Basic Financial Statements- City of Sebastopol, California

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 7,657,875	\$ 8,085,194	\$ 8,017,313	\$ 8,461,885	\$ 9,242,243	\$ 9,448,772
7,398,898	4,128,962	4,314,008	2,279,908	1,660,668	1,450,299
1,926,598	(4,937,921)	(3,524,869)	(847,289)	(3,254,719)	(2,485,538)
<u>\$ 16,983,371</u>	<u>\$ 7,276,235</u>	<u>\$ 8,806,452</u>	<u>\$ 9,894,504</u>	<u>\$ 7,648,192</u>	<u>\$ 8,413,533</u>
\$ 5,232,877	\$ 4,566,315	\$ 4,799,099	\$ 4,705,054	\$ 5,956,258	\$ 5,966,945
523,783	1,544,038	1,404,798	1,468,204	-	-
2,413,672	1,051,968	1,691,465	2,900,417	3,430,964	3,563,944
<u>\$ 8,170,332</u>	<u>\$ 7,162,321</u>	<u>\$ 7,895,362</u>	<u>\$ 9,073,675</u>	<u>\$ 9,387,222</u>	<u>\$ 9,530,889</u>
\$ 12,890,752	\$ 12,651,509	\$ 12,816,412	\$ 13,166,939	\$ 15,198,501	\$ 15,415,717
7,922,681	5,673,000	5,718,806	3,748,112	1,660,668	1,450,299
4,340,270	(3,885,953)	(1,833,404)	2,053,128	176,245	1,078,406
<u>\$ 25,153,703</u>	<u>\$ 14,438,556</u>	<u>\$ 16,701,814</u>	<u>\$ 18,968,179</u>	<u>\$ 17,035,414</u>	<u>\$ 17,944,422</u>

**CITY OF SEBASTOPOL**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 1,273,827	\$ 693,583	\$ 620,298	\$ 907,290
Public safety	3,851,387	4,077,632	4,076,568	4,002,741
Community development	333,939	933,449	640,286	89,926
Education SERAF	797,975	164,289	-	-
Public works	1,731,633	1,343,813	1,059,870	962,578
Parks and recreation	428,619	475,111	485,332	684,115
Interest on long-term debt	334,818	397,315	201,026	113,226
<b>Total Governmental Activities Expenses</b>	<b>8,752,198</b>	<b>8,085,192</b>	<b>7,083,380</b>	<b>6,759,876</b>
<b>Business-Type Activities</b>				
Water	1,197,005	1,181,086	1,166,923	1,320,990
Wastewater	2,223,224	2,538,474	2,195,805	2,335,916
<b>Total Business-Type Activities Expenses</b>	<b>3,420,229</b>	<b>3,719,560</b>	<b>3,362,728</b>	<b>3,656,906</b>
<b>Total Primary Government Net Expenses</b>	<b>\$ 12,172,427</b>	<b>\$ 11,804,752</b>	<b>\$ 10,446,108</b>	<b>\$ 10,416,782</b>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
Charges for services				
General government	\$ 380,883	\$ 415,118	\$ 430,935	\$ 476,923
Public safety	172,217	347,576	327,309	274,025
Community development	-	154,344	313,521	41,325
Public works	367,857	561,378	220,180	107,687
Parks and recreation	55,168	52,032	36,958	114,637
Operating Contributions and Grants	819,196	696,077	598,351	813,943
Capital Contributions and Grants	1,279,603	361,150	1,623,332	7,331
<b>Total Governmental Activities Program Revenues</b>	<b>3,074,924</b>	<b>2,587,675</b>	<b>3,550,586</b>	<b>1,835,871</b>
<b>Business-Type Activities</b>				
Charges for services				
Water	1,103,451	1,108,006	1,128,182	1,427,249
Wastewater	2,111,142	2,075,731	2,099,751	2,374,980
Capital Contributions and Grants	285,497	475,435	259,789	260,514
<b>Total Business-Type Activities Program Revenues</b>	<b>3,500,090</b>	<b>3,659,172</b>	<b>3,487,722</b>	<b>4,062,743</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 6,575,014</b>	<b>\$ 6,246,847</b>	<b>\$ 7,038,308</b>	<b>\$ 5,898,614</b>

Source: Basic Financial Statements- City of Sebastopol, California

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 1,327,123	\$ 1,451,524	\$ 1,761,437	\$ 2,055,024	\$ 2,278,030	\$ 2,000,974
4,154,787	4,397,921	4,193,457	5,260,822	5,397,701	5,813,782
141,771	34,936	9,155	-	-	-
-	-	-	-	-	-
1,207,688	1,331,944	1,376,165	938,036	1,301,865	1,220,155
771,708	644,813	1,066,267	749,005	801,006	976,489
103,767	91,304	83,446	80,566	72,765	72,530
7,706,844	7,952,442	8,489,927	9,083,453	9,851,367	10,083,930
1,298,601	1,368,427	1,669,223	1,716,237	1,893,951	1,933,059
2,605,752	2,795,925	2,887,638	2,889,787	3,090,686	3,333,798
3,904,353	4,164,352	4,556,861	4,606,024	4,984,637	5,266,857
<u>\$ 11,611,197</u>	<u>\$ 12,116,794</u>	<u>\$ 13,046,788</u>	<u>\$ 13,689,477</u>	<u>\$ 14,836,004</u>	<u>\$ 15,350,787</u>
\$ 435,632	\$ 342,911	\$ 915,735	\$ 180,139	\$ 208,574	\$ 188,613
248,479	278,638	240,886	190,018	171,292	179,531
19,942	14,390	162,652	-	-	-
193,334	182,878	305,614	539,617	324,193	345,425
130,691	89,971	100,630	66,739	44,247	26,588
553,751	579,188	484,480	209,472	348,082	239,765
288,575	742,670	446,248	525,005	473,052	380,700
1,870,404	2,230,646	2,656,245	1,710,990	1,569,440	1,360,622
1,709,463	1,933,720	2,061,253	2,457,698	2,270,224	2,229,367
2,688,194	2,959,002	3,116,767	3,324,934	3,028,330	3,104,920
107,307	30,356	142,905	-	-	-
4,504,964	4,923,078	5,320,925	5,782,632	5,298,554	5,334,287
<u>\$ 6,375,368</u>	<u>\$ 7,153,724</u>	<u>\$ 7,977,170</u>	<u>\$ 7,493,622</u>	<u>\$ 6,867,994</u>	<u>\$ 6,694,909</u>

**CITY OF SEBASTOPOL**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	Fiscal Year		
	2010	2011	2012
<b>Net (Expense)/Revenue</b>			
Governmental Activities	\$ (5,677,274)	\$ (5,497,517)	\$ (3,532,794)
Business-Type Activities	79,861	(60,388)	124,994
<b>Total Primary Government Net Expense</b>	<b>(5,597,413)</b>	<b>(5,557,905)</b>	<b>(3,407,800)</b>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities			
Taxes			
Property taxes	1,033,478	1,001,252	1,292,711
Sales and use taxes	1,385,478	1,379,949	1,392,916
Motor vehicle in lieu taxes	595,275	596,548	565,094
Transient lodging taxes	238,657	269,984	300,937
Other taxes	1,370,538	1,393,950	1,358,326
Incremental property taxes	1,925,970	1,889,318	922,557
Investment Earnings	-	-	-
Unrestricted interest and rents	39,501	157,632	81,145
Miscellaneous	112,925	6,994	20,555
Transfers	51,034	-	31,024
Special item: Forgiveness of indebtedness	(1,004,665)	-	-
Special item: Dissolution of redevelopment agency	-	-	(4,909,339)
Special item: Contribution of long-term loans to Sonoma County	-	-	-
<b>Total Governmental Activities</b>	<b>5,748,191</b>	<b>6,695,627</b>	<b>1,055,926</b>
Business-Type Activities			
Investment Earnings	-	-	-
Transfers	(51,034)	-	(31,024)
<b>Total Business-Type Activities</b>	<b>(51,034)</b>	<b>-</b>	<b>(31,024)</b>
<b>Total Primary Government</b>	<b>5,697,157</b>	<b>6,695,627</b>	<b>1,024,902</b>
<b>Change in Net Position</b>			
Governmental Activities	70,917	1,198,110	(2,476,868)
Business-Type Activities	28,827	(60,388)	93,970
<b>Total Primary Government</b>	<b>\$ 99,744</b>	<b>\$ 1,137,722</b>	<b>\$ (2,382,898)</b>

Source: Basic Financial Statements- City of Sebastopol, California

Fiscal Year

2013	2014	2015	2016	2017	2018	2019
\$ (4,924,005)	\$ (5,836,440)	\$ (5,721,796)	\$ (5,833,682)	\$ (7,372,463)	\$ (8,281,927)	\$ (8,723,308)
405,837	600,611	758,726	764,064	1,176,608	313,917	67,430
(4,518,168)	(5,235,829)	(4,963,070)	(5,069,618)	(6,195,855)	(7,968,010)	(8,655,878)
1,602,494	1,392,443	1,393,021	2,459,296	2,478,979	2,618,913	2,891,222
1,673,360	1,713,697	1,748,368	2,069,199	3,923,850	3,714,794	3,958,244
566,513	591,353	621,440	-	-	-	-
329,577	359,892	482,164	483,738	514,225	529,810	631,742
1,924,257	2,273,971	2,761,809	2,246,817	1,134,089	1,097,589	1,153,243
-	-	-	-	-	-	-
-	-	-	-	67,458	57,812	259,216
(5,330)	22,017	10,492	73,826	-	-	-
269,884	257,126	327,178	-	260,341	523,614	563,958
31,023	31,024	31,024	31,023	31,023	32,259	31,024
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(3,602,937)	-	-	-	-
6,391,778	6,641,523	3,772,559	7,363,899	8,409,965	8,574,791	9,488,649
-	-	-	-	32,728	31,889	107,261
(31,023)	(31,024)	(31,024)	(31,023)	(31,023)	(32,259)	(31,024)
(31,023)	(31,024)	(31,024)	(31,023)	1,705	(370)	76,237
6,360,755	6,610,499	3,741,535	7,332,876	8,411,670	8,574,421	9,564,886
1,467,773	805,083	(1,949,237)	1,530,217	1,037,502	292,864	765,341
374,814	569,587	727,702	733,041	1,178,313	313,547	143,667
\$ 1,842,587	\$ 1,374,670	\$ (1,221,535)	\$ 2,263,258	\$ 2,215,815	\$ 606,411	\$ 909,008

**CITY OF SEBASTOPOL**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2010	2011*	2012
General Fund			
Unreserved, designated	\$ 140,335	\$ -	\$ -
Unreserved, undesignated	-	-	-
Nonspendable	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	286,698	789,029
Total General Fund	<u>\$ 140,335</u>	<u>\$ 286,698</u>	<u>\$ 789,029</u>
All Other Governmental Funds			
Reserved	\$ 1,385,085	\$ -	\$ -
Unreserved, designited	-	-	-
Unreserved, undesignated	2,456,904	-	-
Unreserved, Reported In nonmajor:			
Special Revenue Funds	2,856,424		
Capital Projects Funds	712,214		
Nonspendable	-	783,000	-
Restricted	-	6,093,900	2,547,599
Committed	-	215,339	213,100
Assigned	-	-	-
Unassigned	-	(547,826)	-
Total All Other Governmental Funds	<u>7,410,627</u>	<u>6,544,413</u>	<u>2,760,699</u>
Total Governmental Funds	<u><u>\$7,550,962</u></u>	<u><u>\$6,831,111</u></u>	<u><u>\$3,549,728</u></u>

\* GASB 54 implemented in fiscal year 10/11

Source: Basic Financial Statements- City of Sebastopol, California



Fiscal Year

2013	2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	11,127	46,392	28,818
1,195,000	458,000	1,015,000	1,015,000	185,000	185,000	-
-	-	-	-	2,785,000	3,335,000	3,579,535
697,762	1,113,028	2,077,523	3,265,624	3,669,067	3,882,742	4,993,434
<u>\$ 1,892,762</u>	<u>\$ 1,571,028</u>	<u>\$ 3,092,523</u>	<u>\$ 4,280,624</u>	<u>\$ 6,650,194</u>	<u>\$ 7,449,134</u>	<u>\$ 8,601,787</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,025,676	3,169,424	3,573,382	3,827,777	2,279,908	1,660,668	1,450,299
364,291	471,226	595,718	464,800	154,351	279,229	436,477
-	-	-	-	-	-	-
-	-	-	-	(79,673)	(48,819)	(113,745)
<u>3,389,967</u>	<u>3,640,650</u>	<u>4,169,100</u>	<u>4,292,577</u>	<u>2,354,586</u>	<u>1,891,078</u>	<u>1,773,031</u>
<u>\$5,282,729</u>	<u>\$5,211,678</u>	<u>\$7,261,623</u>	<u>\$8,573,201</u>	<u>\$9,004,780</u>	<u>\$9,340,212</u>	<u>\$10,374,818</u>

**CITY OF SEBASTOPOL**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Property taxes	\$ 2,959,448	\$ 2,890,570	\$ 2,215,268	\$ 1,602,494
Sales and use taxes	1,878,944	1,896,802	1,977,528	2,812,420
Other taxes	1,042,117	1,038,819	966,989	1,010,312
Transient occupancy taxes	-	-	-	-
Franchise fees	-	-	-	-
Licenses and permits	223,679	370,070	321,351	364,654
Fines and forfeits	88,112	97,597	174,613	124,941
Intergovernmental	2,665,525	1,610,033	2,990,419	1,337,164
Interest and rents	85,003	307,151	92,583	12,529
Charges for services	697,305	1,052,554	648,309	676,416
Miscellaneous	628,545	2,424,131	690,618	79,048
<b>Total Revenues</b>	<b>10,268,678</b>	<b>11,687,727</b>	<b>10,077,678</b>	<b>8,019,978</b>
Expenditures				
Current				
General Government	1,269,400	763,251	763,950	876,686
Public Safety	3,593,002	3,831,707	3,727,294	3,746,490
Community development	330,137	1,782,172	893,424	88,735
Parks and recreation	286,783	333,275	277,746	374,110
Public works	2,164,525	894,648	761,911	809,017
Education SERAF	797,975	164,289	-	-
Capital Outlay	644,674	2,054,271	1,610,157	228,939
Intergovernmental	-	-	329,888	-
Debt Service:				
Principal	926,110	3,541,529	1,299,299	349,214
Interest	326,655	523,626	211,532	114,692
Cost of debt issuance	-	-	-	-
<b>Total Expenditures</b>	<b>10,339,261</b>	<b>13,888,768</b>	<b>9,875,201</b>	<b>6,587,883</b>
Excess of Revenues Over (Under) Expenditures	(70,583)	(2,201,041)	202,477	1,432,095
Other Financing Sources (Uses)				
Capital lease financing	-	-	-	-
Sale of property	-	-	-	269,883
Loans and capital leases issued	-	1,484,190	-	-
Proceeds of long-term capital lease	-	-	-	-
Sales of capital assets	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers In	1,589,594	951,526	565,248	265,144
Transfers Out	(1,538,560)	(951,526)	(534,224)	(234,121)
<b>Total Other Financing Sources (Uses)</b>	<b>51,034</b>	<b>1,484,190</b>	<b>31,024</b>	<b>300,906</b>
<b>Extraordinary/Special Items</b>	<b>-</b>	<b>-</b>	<b>(3,514,884)</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>(\$19,549)</b>	<b>(\$716,851)</b>	<b>(\$3,281,383)</b>	<b>\$1,733,001</b>
Debt Service as a percentage of non-capital expenditures	13.6%	34.4%	19.0%	7.3%

Source: Basic Financial Statements- City of Sebastopol, California

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 1,392,443	\$ 1,393,024	\$ 2,459,296	\$ 2,681,062	\$ 2,618,914	\$ 2,891,222
3,214,480	3,652,138	3,940,169	4,454,450	4,686,751	4,907,892
1,070,444	1,218,306	-	-	-	-
-	-	483,738	514,225	529,810	631,742
-	-	351,568	359,466	323,496	358,299
290,026	314,693	488,234	412,678	304,268	324,928
117,358	158,380	122,235	88,747	82,605	55,501
1,412,805	1,443,193	979,119	676,542	765,572	540,760
76,670	43,433	92,985	112,795	106,357	309,812
922,178	843,764	717,270	428,703	320,219	318,062
54,189	67,948	434,506	294,146	523,223	563,549
8,550,593	9,134,879	10,069,120	10,022,814	10,261,215	10,901,767
1,308,096	1,501,999	1,628,362	2,272,637	1,879,155	1,933,038
3,950,740	4,175,290	4,329,264	4,429,352	4,780,975	4,998,720
140,258	35,436	9,600	-	-	-
679,488	544,596	524,035	605,061	639,930	826,945
1,124,226	1,073,855	1,443,331	930,256	868,491	1,051,102
-	-	-	-	-	-
240,332	80,472	554,243	1,188,516	1,471,598	766,230
-	-	-	-	-	-
357,250	358,175	302,357	233,469	245,128	249,619
105,278	93,135	82,796	80,566	72,766	72,531
-	-	-	-	-	-
7,905,668	7,862,958	8,873,988	9,739,857	9,958,043	9,898,185
644,925	1,271,921	1,195,132	282,957	303,172	1,003,582
-	-	85,423	66,250	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	799	-	-
-	-	-	-	-	-
-	-	-	-	-	-
256,529	256,301	417,645	198,741	1,396,214	2,912,182
(225,505)	(225,277)	(386,622)	(167,718)	(1,363,955)	(2,881,158)
31,024	31,024	116,446	98,072	32,259	31,024
-	-	-	-	-	-
\$675,949	\$1,302,945	\$1,311,578	\$381,029	\$335,431	\$1,034,606
6.0%	5.8%	4.6%	3.6%	3.7%	3.5%

**CITY OF SEBASTOPOL**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Secured	Unsecured	SBE Nonunitary	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate
2009	\$ 949,722,087	\$ 39,480,371	\$ 12,500	\$ 989,189,958	1.1250%
2010	932,154,944	40,354,704	12,500	972,497,148	1.1234%
2011	921,301,455	41,224,537	20,260	962,505,732	1.1234%
2012	925,157,423	40,782,023	20,260	965,919,186	1.1325%
2013	936,099,537	32,978,628	20,260	969,057,905	1.1247%
2014	984,165,141	33,736,420	-	1,017,901,561	1.1247%
2015	1,030,201,370	33,857,950	-	1,064,059,320	1.1157%
2016	1,101,325,085	34,718,413	-	1,136,043,498	1.1152%
2017	1,159,102,311	36,169,711	-	1,195,272,022	1.1247%
2018	1,213,563,175	40,451,873	-	1,254,015,048	1.1322%
2019	1,293,160,893	41,422,754	-	1,334,583,647	1.1322%

<sup>1</sup> Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value as it appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2 percent
- b) current market value at time of ownership change;
- c) market value for new construction

Note: Estimated actual value of taxable property cannot easily be determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

Source: Sonoma County Assessor 2007/08 - 2017/18 Combined Tax Rolls

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**CITY OF SEBASTOPOL**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

Agency	Fiscal Year					
	2010	2011	2012	2013	2014	2015
<b>Basic Levy 1</b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Palm Drive Health Care District	0.00540	0.00540	0.00550	0.00550	0.00550	0.00520
Sebastopol Elementary Bonds	0.03950	0.03950	0.03950	0.03810	0.03810	0.03700
Sonoma County Junior College	0.02500	0.02500	0.02100	0.02100	0.02100	0.01800
Sonoma County Junior College 2014	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Twin Hills Elementary	0.03500	0.03500	0.04400	0.03700	0.03700	0.03300
West Sonoma County Unified High	0.01150	0.01150	0.01550	0.01610	0.01610	0.01550
West Sonoma Russian River Project	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700
<b>Total Direct &amp; Overlapping Tax Rates<sup>2</sup></b>	1.12340	1.12340	1.13250	1.12470	1.12470	1.11570
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.19685	0.19685	0.19685	0.19685	0.19685	0.19685
<b>Voter Approved City Debt Rate</b>						
<b>Redevelopment Rate<sup>4</sup></b>	1.01240	1.01240	1.01250			
<b>Total Direct Rate<sup>5</sup></b>	0.37667	0.37800	0.37692	0.37463	0.14272	0.14272

Note:

<sup>1</sup> In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all tax within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the pa

<sup>2</sup> Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates ;

<sup>3</sup> City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ] ratio figures.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per C; are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California fo

<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section info; Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challen have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency ir

Source: Sonoma County Assessor 2007/08 - 2016/17 Tax Rate Table

2016	2017	2017	2019
1.00000	1.00000	1.00000	1.00000
0.00520	0.00520	0.00520	0.00520
0.03500	0.03300	0.03550	0.03450
0.01600	0.01500	0.01400	0.03600
0.00000	0.02500	0.02300	0.00000
0.03300	0.03200	0.03050	0.03000
0.01900	0.01750	0.01700	0.04850
0.00700	0.00700	0.00700	0.00700
1.11520	1.13470	1.13220	1.16120
0.19685	0.19685	0.19685	0.14455
0.14284	0.14285	1.13220	0.14298

ing agencies for which the subject property resides  
 yment of any voter approved bonds.

apply to all city property owners.

ERAF general fund tax shifts may not be included in tax

alifornia State statute. RDA direct and overlapping rates  
 r the fiscal year 2012/13 and years thereafter.

rmation and excludes revenues derived from aircraft.  
 iges to recognized enforceable obligations are assumed to  
 n the same proportions as general fund revenue.

**CITY OF SEBASTOPOL**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year 2019		Fiscal Year 2010	
	Taxable Assessed Value	Percent Of Total Assessed Valuation	Taxable Assessed Value <sup>1</sup>	Percent Of Total Assessed Valuation
O Reilly Properties LLC	\$ 16,402,570	1.69%	N/A	N/A
Marigold LLC	7,890,963	0.81%	N/A	N/A
Sebastopol Industrial Park LLC	7,555,800	0.78%	N/A	N/A
Redwood Marketplace	7,551,873	0.78%	N/A	N/A
Innovative Molding Inc	6,553,960	0.67%	N/A	N/A
Lok Sebastopol Hotel Co LLC	6,300,348	0.65%	N/A	N/A
Charles R Pendergast Trust	4,659,748	0.48%	N/A	N/A
Diajeff LLC	4,267,608	0.44%	N/A	N/A
Southpoint Avenue Investors L1	4,012,118	0.41%	N/A	N/A
M and J Interest LLC	3,792,936	0.39%	N/A	N/A
<b>Total Top 10Taxpayers</b>	<b>68,987,924</b>	<b>7.10%</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Taxable Value</b>	<b>\$ 1,254,015,048</b>	<b>100.00%</b>	<b>\$ 978,554,058</b>	<b>100.00%</b>

Source: Sonoma County Assessor data, Avenu Insights & Analytics



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

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy	
	City	RDA/Successor Agency	Total <sup>1</sup>	Amount	Percent of Levy
2017	\$ 2,523,397	\$ 825,365	\$ 3,348,762	\$ 3,348,762	100.00%
2018	2,433,418	827,985	3,261,403	3,261,403	100.00%
2019	2,714,491	743,087	3,457,578	3,457,578	100.00%

<sup>1</sup> Schedule excludes unitary tax.

<sup>2</sup> Sebastopol is part of Sonoma County which adopted the Teeter Plan.

\* The schedule is intended to show information for ten years, additional years will be displayed as it becomes available.

Source: Sonoma County Tax Collector/Treasurer

**CITY OF SEBASTOPOL**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Total <sup>2</sup>
	Special Assessment Bonds	Capital Lease Obligation	CEC Loan	2007 Tax Allocation Refunding Bond	Residential Development Loan	
2010	285,000	4,769,888	107,243	3,795,000	-	8,957,131
2011	275,000	4,443,559	85,230	3,505,000	1,747,069	10,055,858
2012	255,000	3,367,736	62,193	-	-	3,684,929
2013	240,000	3,057,583	38,131	-	-	3,335,714
2014	225,000	3,001,169	12,974	-	-	3,239,143
2015	205,000	2,415,429	-	-	-	2,620,429
2016	185,000	2,273,334	-	-	-	2,458,334
2017	160,000	2,075,657	-	-	-	2,235,657
2018	140,000	1,850,529	-	-	-	1,990,529
2019	115,000	1,625,911	-	-	-	1,740,911

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

<sup>1</sup> See Demographic and Economic Indicators schedule for personal income and population data.

<sup>2</sup> Totals do not include other post-employment benefits payable or compensated absences.

n/a: not available

Source: Basic Financial Statements - City of Sebastopol, California

Business-Type Activities

Installment Agreement	Capital Lease Obligation	State Drinking Water Loan	CEC Loan	Total <sup>2</sup>	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
81,173	1,632,523	-	51,073	1,764,769	10,721,900	4.17%	1,384
27,881	1,542,671	-	40,698	1,611,250	11,667,108	5.09%	1,469
-	1,448,181	-	29,651	1,477,832	5,162,761	2.17%	697
-	1,349,964	-	17,689	1,367,653	4,703,367	1.80%	632
-	1,244,969	-	6,193	1,251,162	4,490,305	1.82%	604
1,200,000	1,150,336	142,819	-	2,493,155	5,113,584	1.97%	686
1,160,118	1,130,420	170,415	-	2,460,953	3,761,788	1.42%	500
1,118,601	1,147,458	249,339	-	2,515,398	3,912,195	1.38%	516
1,075,382	990,710	148,328	-	2,214,420	3,353,458	1.10%	435
1,030,391	859,552	98,863	-	1,988,806	2,947,221	0.97%	382

**CITY OF SEBASTOPOL**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding	Percentage of Personal Income <sup>1</sup>	Percentage of Total Taxable Assessed Value <sup>2</sup>	Per Capita <sup>1</sup>
	Total			
2010	-	0.00%	0.00%	-
2011	-	0.00%	0.00%	-
2012	-	0.00%	0.00%	-
2013	-	0.00%	0.00%	-
2014	-	0.00%	0.00%	-
2015	-	0.00%	0.00%	-
2016	-	0.00%	0.00%	-
2017	-	0.00%	0.00%	-
2018	-	N/A	N/A	-
2019	-	N/A	N/A	-

<sup>1</sup> See Demographic and Economic Indicators schedule for personal income and population data.

<sup>2</sup> See Assessed Value and Actual Value of Taxable Property schedule for property value data.

Source: Basic Financial Statements - City of Sebastopol, California

**CITY OF SEBASTOPOL**  
**DIRECT AND OVERLAPPING DEBT GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2019**

	Total Debt June 30, 2019	Percent Applicable <sup>1</sup>	City's Share of Debt as of June 30, 2019
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Sonoma County Joint Community College District	\$ 225,355,000	1.478%	\$ 3,330,747
West Sonoma County Union High School District	46,674,165	13.663%	6,377,091
Sebastopol Union School District	12,136,585	59.370%	7,205,491
Twin Hills Union Shool District	4,264,964	0.822%	35,058
Palm Drive Healthcare District	3,740,000	12.875%	481,525
Palm Drive Healthcare District Parcel Tax Obligations	14,540,000	12.875%	1,872,025
City of Sebastopol 1915 Act Bonds	115,000	100.000%	115,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	N/A	N/A	<u>\$ 19,416,937</u>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Sonoma County Certificates of Participation	\$ 14,929,000	1.490%	\$ 222,442
Sonoma County Pension Obligation Bonds	352,370,000	1.490%	5,250,313
Sonoma County Office of Education Certificates of Participation	4,386,172	1.490%	65,354
West Sonoma County Union High School District General Fund Obligations	923,498	13.663%	126,178
Sebastopol Union School District Certificates of Participation	157,569	59.370%	93,549
Twin Hills Union School District Certificates of Participation	133,568	0.822%	1,098
City of Sebastopol Capital Lease Obligations	1,625,911	100.000%	1,625,911
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT	N/A	N/A	<u>\$ 7,384,844</u>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>			
TOTAL OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	810,000	100%	<u>\$ 810,000</u>
COMBINED TOTAL DEBT			<u>\$ 27,611,781</u>
TOTAL DIRECT DEBT			\$ 1,625,911
TOTAL OVERLAPPING DEBT			<u>25,985,869</u>
COMBINED TOTAL DEBT			<u>\$ 27,611,780</u> <sup>2</sup>

<sup>1</sup> The information needed to complete the direct and overlapping debt schedule was currently unavailable, this information will be provided going forward.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations

**RATIOS TO 2018-19 ASSESSED VALUATION:**

Total Overlapping Tax and Assessment Debt	1.45%
Combined Direct Debt	0.12%
Combined Total Debt	2.07%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$373,888,309)**

Total Overlapping Tax Increment Debt	0.22%
--------------------------------------	-------

**CITY OF SEBASTOPOL**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal year			
	2010	2011	2012	2013
Total assessed value of all real and personal property	\$ 972,522,148	\$ 962,546,252	\$ 965,959,706	\$ 969,098,425
Debt limit percentage	3.75%	3.75%	3.75%	3.75%
Total debt limit	36,469,581	36,095,484	36,223,489	36,341,191
Amount applicable to debt limit	8,957,131	10,055,858	3,684,929	3,335,714
Legal debt margin	\$ 27,512,450	\$ 26,039,626	\$ 32,538,560	\$ 33,005,477
Total net debt applicable to the limit as a percentage of debt limit	24.56%	27.86%	10.17%	9.18%

Note: California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus the limit shown is 3.75% (1/4 of 15%).

Source: Basic Financial Statements - City of Sebastopol, California

Fiscal year					
2014	2015	2016	2017	2018	2019
\$ 1,017,901,561	\$ 1,064,059,320	\$ 1,136,043,498	\$ 1,195,272,022	\$ 1,254,015,048	\$ 1,293,160,893
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
38,171,309	39,902,225	42,601,631	44,822,701	47,025,564	48,493,533
3,239,143	2,620,429	2,458,334	2,235,657	1,990,529	1,740,911
<u>\$ 34,932,166</u>	<u>\$ 37,281,796</u>	<u>\$ 40,143,297</u>	<u>\$ 42,587,044</u>	<u>\$ 45,035,035</u>	<u>\$ 46,752,622</u>
8.49%	6.57%	5.77%	4.99%	4.23%	3.59%

**CITY OF SEBASTOPOL**  
**PLEGDED REVENUE COVERAGE**  
**GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

Tax Allocation Revenue Bonds

Fiscal Year	Property Tax Increment	Principal	Interest	Coverage
2010	1,925,970	605,300	202,810	2.38
2011	1,889,318	2,907,750	399,907	0.57
2012	922,557	939,495	101,273	0.89
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-

Special Assessment Bonds

Fiscal Year	Special Assessments	Principal	Interest	Coverage
2010	30,665	10,000	24,674	0.88
2011	32,351	10,000	22,276	1.00
2012	31,479	20,000	22,468	0.74
2013	30,602	15,000	21,302	0.84
2014	32,121	15,000	19,924	0.92
2015	31,082	20,000	17,004	0.84
2016	32,420	20,000	15,312	0.92
2017	31,194	25,000	11,455	0.86
2018	32,344	20,000	10,005	1.08
2019	33,315	25,000	9,686	0.96

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Note: As of June 30, 2013, pledged revenue for tax allocation bonds was zero, due to transfer of liabilities to Successor Agency.

Source: Basic Financial Statements - City of Sebastopol, California



**CITY OF SEBASTOPOL**  
**PLEGGED REVENUE COVERAGE**  
**PROPRIETARY FUNDS**  
**LAST TEN FISCAL YEARS**

Installment Sale Agreement and State Drinking Water Loan

Fiscal Year	Operating Revenue	Adjusted Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2010	n/a	n/a	n/a	-	-	n/a
2011	n/a	n/a	n/a	-	-	n/a
2012	n/a	n/a	n/a	-	-	n/a
2013	n/a	n/a	n/a	-	-	n/a
2014	n/a	n/a	n/a	-	-	n/a
2015	1,933,720	(1,194,003)	739,717	-	-	n/a
2016	2,061,253	(1,493,267)	567,986	39,881	49,201	6.38
2017	2,467,685	(1,538,204)	929,481	41,517	47,565	10.43
2018	2,284,764	(1,763,844)	520,920	101,011	45,217	3.56
2019	2,280,988	(1,737,823)	543,165	93,902	48,047	3.83

Note: There were no pledges of non-general obligation debt from 2008 to 2014.

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include interest, depreciation or amortization.

Source: Basic Financial Statements - City of Sebastopol, California

**CITY OF SEBASTOPOL**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

Calendar Year	Population	Personal Income		% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelors Degree	Unemployment Rate	Median Age
		Total (in thousands)	Per Capita				
2010	7,943	229,187	28,854	90.80%	37.60%	6.8%	46.40
2011	7,405	237,412	32,061	93.10%	38.60%	6.3%	47.20
2012	7,445	260,940	35,049	93.50%	38.90%	4.2%	48.70
2013	7,440	247,209	33,227	92.50%	35.50%	3.3%	48.90
2014	7,454	259,973	34,877	94.90%	39.20%	4.8%	48.70
2015	7,527	264,433	35,131	94.70%	42.90%	3.8%	49.70
2016	7,579	283,772	37,441	93.80%	41.20%	3.4%	51.30
2017	7,709	305,392	39,615	96.10%	48.30%	3.4%	51.30
2018	7,885	303,177	38,449	96.10%	48.30%	4.1%	47.90
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source:

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  
n/a: not available

**CITY OF SEBASTOPOL**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2019			Fiscal Year 2009		
	Employees	Percent of Total Employment	Rank	Employees	Percent of Total Employment	Rank
O'Reilly Media Inc.	186	11%	N/A	N/A	N/A	N/A
Whole Foods Market	150	9%	N/A	N/A	N/A	N/A
Traditional Medicinals Inc	140	9%	N/A	N/A	N/A	N/A
TLC Child and Family Services	130	8%	N/A	N/A	N/A	N/A
Apple Valley Post Acute Rehab	120	7%	N/A	N/A	N/A	N/A
Zak Zaikine Productions	120	7%	N/A	N/A	N/A	N/A
Manzana Products Company Inc	110	7%	N/A	N/A	N/A	N/A
Safeway Pharmacy	110	7%	N/A	N/A	N/A	N/A
Safeway	95	6%	N/A	N/A	N/A	N/A
Analy High School	90	6%	N/A	N/A	N/A	N/A
Antique Society	85	5%	N/A	N/A	N/A	N/A
Greenacres Homes & Food	82	5%	N/A	N/A	N/A	N/A
Lucky Supermarkets	80	5%	N/A	N/A	N/A	N/A
Fiesta Market	75	5%	N/A	N/A	N/A	N/A
Gravenstein Union District	60	4%	N/A	N/A	N/A	N/A
	1,633	101.00%				

Source: Sonoma County Economic Development Board

**CITY OF SEBASTOPOL**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS\***

	Fiscal Year		
	2017	2018	2019
Governmental Activities			
General Government			
City Council	6.00	6.00	6.00
City Manager	0.75	0.75	0.75
City Attorney	0.25	0.25	0.25
Finance	4.00	4.00	4.00
Building Inspection	1.50	1.50	1.50
Planning	3.00	3.00	3.00
Public Safety			
Police	34.75	34.75	34.75
Fire	33.50	33.50	35.50
Public Works and facilities			
Administration	2.75	2.75	2.75
Water	1.00	1.00	1.00
Laborer	4.00	4.00	4.00
Engineering	1.75	1.75	1.75
Maintenance	4.00	6.00	6.00
<b>Total Full-Time Equivalent Employees</b>	<b>98.25</b>	<b>100.25</b>	<b>102.25</b>

\* The schedule is intended to show information for ten years, additional years will be displayed as it becomes available.

Source: City of Sebastopol Finance Department

**CITY OF SEBASTOPOL**  
**OPERATING INDICATORS**  
**BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS\***

	Fiscal Year						
	2013	2014	2015	2016	2017	2018	2019
<b>Building</b>							
Residential Building Permits	n/a	n/a	302	432	393	278	300
Land use entitlement applications	n/a	n/a	54	32	25	25	25
<b>Police</b>							
Citations issued	n/a	n/a	n/a	n/a	872	1,156	906
Arrests made	n/a	n/a	823	623	669	581	519
Requests for services	n/a	n/a	7,801	7,830	7,703	7,845	8,276
<b>Fire</b>							
Fire responses	861	1,055	1,071	1,056	1,150	1,190	1,275
Fire Inspections	200	200	200	300	350	375	400
Area served (sq. miles)	1.20	1.20	1.20	1.20	1.20	1.20	1.20
<b>Public Works</b>							
Encroachment permits	83	93	117	98	59	65	74
Capital improvement projects	n/a	n/a	n/a	n/a	n/a	6	3
Park acres overseen		96.00	96.00	96.00	97.70	97.70	97.70
Street maintenance - crack seal (streets)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Street maintenance - traffic marking paint (gal.)	n/a	n/a	n/a	n/a	n/a	271	325
Street light repairs	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Water/Waste Water</b>							
Active Residential Accounts	n/a	n/a	2,550	2,470	2,682	2,503	2,451
Active Commerical Accounts	n/a	n/a	477	335	473	381	455
Average Daily Water Consumption	n/a	n/a	758,904	783,561	838,673	821,096	782,192
Ground Storage Capacity (gallons)	n/a	n/a	\$7.5m	\$7.5m	\$7.5m	\$7.5m	\$7.5m
Elevated Storage Capacity (gallons)	n/a	n/a	0 - no elevated tanks	0 - no elevated tanks	0 - no elevated tanks	0 - no elevated tanks	0 - no elevated tanks
Ground Water Production Capacity (gallons per day)	n/a	n/a	3,225,600	3,225,600	3,225,000	3,225,600	3,312,000
Pump Capacity (gallons per minute)	n/a	n/a	2,240	2,240	2,240	2,240	2,300
Waste Water Treatment Capacity (gallons per day)	n/a	n/a	840,000	840,000	840,000	840,000	840,000

\* The schedule is intended to show information for ten years, additional years will be displayed as it becomes available.

Source: City of Sebastopol Finance Department

**CITY OF SEBASTOPOL  
CAPITAL ASSET STATISTICS  
BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS\***

	Fiscal Year						
	2013	2014	2015	2016	2017	2018	2019
Police							
Stations	1	1	1	1	1	1	1
Fire							
Stations	1	1	1	1	1	1	1
Public Works							
Streets (centerline miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Street lights	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Traffic signals	2	2	2	2	2	2	2
Parks and Recreation							
Office buildings	4	4	4	4	4	4	4
Park acreage	96	96	96	96	97.7	97.7	97.7
Playing fields/courts	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Swimming pools	1	1	1	1	1	1	1
Water play features	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water							
Water mains (miles)	37	37	37	37	37	37	37
Fire hydrants	n/a	n/a	n/a	450	450	450	450
Storage capacity (million gallons)	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Treatment capacity (million gallons)							
Wastewater							
Sewer mains (miles)	29	29	29	29	29	29	29
Treatment capacity (million gallons)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

\* The schedule is intended to show information for ten years, additional years will be displayed as it becomes available.

Source: City of Sebastopol Finance Department