



Sonoma County California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR
ENDED JUNE 30,**

2024



**COUNTY OF SONOMA
STATE OF CALIFORNIA**

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



**Prepared by the Office of the
Auditor-Controller-Treasurer-Tax Collector**

**Erick Roeser
Auditor-Controller-Treasurer-Tax Collector**

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Introductory Section



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December 26, 2024

To the Board of Supervisors and Citizens of Sonoma County:

The Annual Comprehensive Financial Report (ACFR) of the County of Sonoma (County) for the fiscal year ended June 30, 2024, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. 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 Independent Auditor's Report is located at the front of the financial section of this report. Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2024.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Incorporated in 1850, the County of Sonoma is located in northwest California, about fifty miles north of San Francisco. The County occupies over 1,768 square miles of land and water serving a population of 478,146. Open space and agricultural land account for the majority of this acreage. Nine incorporated cities are within the County: Santa Rosa, Petaluma, Rohnert Park, Town of Windsor, Healdsburg, Sonoma, Cloverdale, Sebastopol, and Cotati. The largest employment categories include government, healthcare and social services, education, hospitality and food services. The region's world-renowned wineries, geographically diverse open spaces, and mild climate, make the County a popular tourism and recreation destination.

The County government functions as a local government body to serve the needs of its residents. As geographical and political subdivisions of the state, counties serve a dual role; providing municipal services in the unincorporated areas and acting as administrative agents for state and federal government programs and services. As a general-law county, Sonoma County is bound by state law as to the number and duties of County elected officials. The County has five districts that are approximately equal in population with boundaries adjusted every ten years following the federal census. Policymaking and legislative authority are vested in the County Board of Supervisors (the Board). Board members are elected to four-year staggered terms, and each member represents one of the County's five districts. The County has four elected department heads: Auditor-Controller-Treasurer-Tax Collector, Clerk-Recorder-Assessor-Registrar of Voters, District Attorney, and Sheriff-Coroner. Other department heads are appointed by the Board or the County Administrator.

The County employed 4,170 full-time employees in fiscal year 2023-24 in order to provide a full range of services to its residents. The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The State

and Federal governments mandate certain minimum levels of services in the public protection, public assistance and health areas. The majority of services performed by the County are provided for all residents, regardless of whether those residents live in cities or unincorporated areas of the County, and every County resident directly or indirectly benefits from these services.

Included in operations are various component units, which provide specific services County-wide or to distinct geographic areas within the County. The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board is financially accountable, or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either the County's ability to impose its will on the organization or the potential for the organization to provide a financial benefit to or impose a financial burden on the County. The following component units, although legally separate entities, are considered to be part of the primary government for financial reporting purposes: Sonoma County Fair and Exposition, Inc., the Sonoma County Securitization Corporation, Sonoma County Agricultural Preservation and Open Space District, the Sonoma County Public Financing Authority, and Sonoma County Employees' Retirement Association. Seven discrete component units are presented in the financial statements, separate from the primary government: Sonoma County Community Development Commission (CDC), Sonoma County Water Agency (identified herein as Sonoma Water), four sanitation districts (Sonoma Valley County Sanitation District, Russian River County Sanitation District, South Park County Sanitation District, and Occidental County Sanitation District) and the Sonoma County Water and Wastewater Financing Authority.

The County is required by State law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for governmental and proprietary funds. The County maintains budgetary controls to assure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The County also maintains an encumbrance accounting system to assist departments in accomplishing budgetary control. Unencumbered annual appropriations lapse at year-end. The legal level of control for appropriations is exercised at the division level within fund level. Appropriations at this level may be adjusted with Board approval or delegated Board approval. Management may adjust below this level. Such adjustments by the Board and management are reflected in the revised budgetary data presented in the required supplementary section of the ACFR.

REQUESTS FOR INFORMATION

Requests for additional financial information should be addressed to the Sonoma County Auditor-Controller-Treasurer-Tax Collector, 585 Fiscal Drive, Suite 100, Santa Rosa, California 95403.

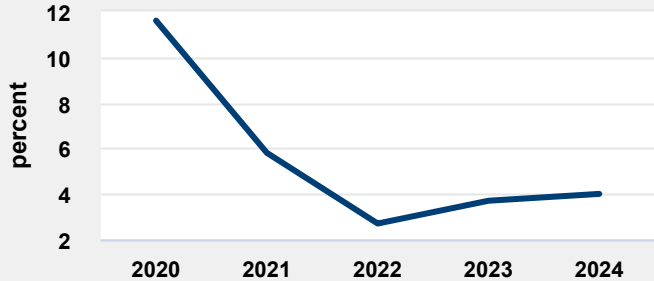
FACTORS AFFECTING ECONOMIC CONDITION

The factors herein are measured at various points in time depending on the most recent information available.

Economy

- During Fiscal Year 2023-24 Sonoma County experienced negative signs of economic conditions including high rates of inflation, an increase in the unemployment rate, and decreases in transient occupancy tax.
- As of June 2024, median home prices increased 4.9%. Sonoma County remains one of the more affordable Bay Area counties.

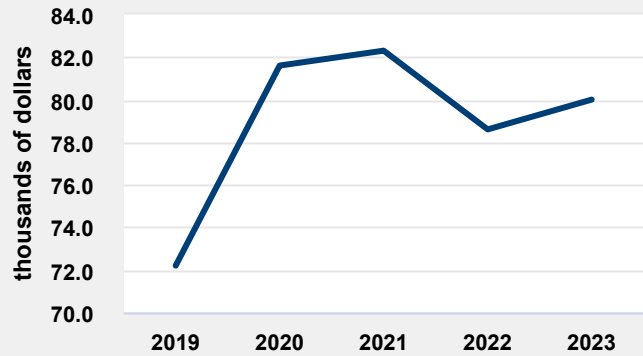
Unemployment Rate as of June 30



Unemployment

- As of June 2024, the County's unemployment rate increased to 4.0% from 3.7% in June 2023. This is lower than both California's unemployment rate of 5.3% and the national unemployment rate of 4.3% as of June 2024.
- As of September 2024, the County unemployment rate was 4.0% compared to 3.5% in September 2023. The County's September 2024 rate is lower than California's unemployment rate of 5.3% and higher than the national unemployment rate of 3.9%.

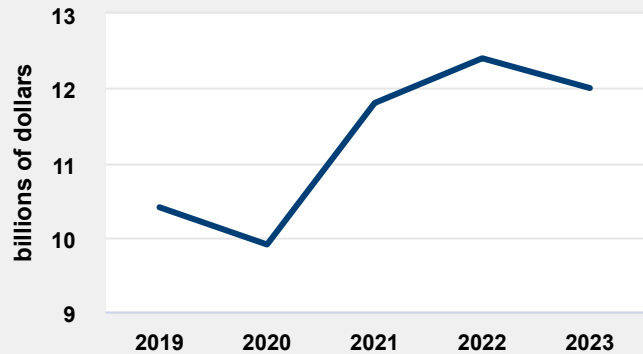
Annual Per Capita Income-Calendar Year



Income

- County per capita personal income increased to \$84,048 for the 2023 calendar year, from \$78,629 for the 2022 calendar year.

Annual Retail Sales-Calendar Year

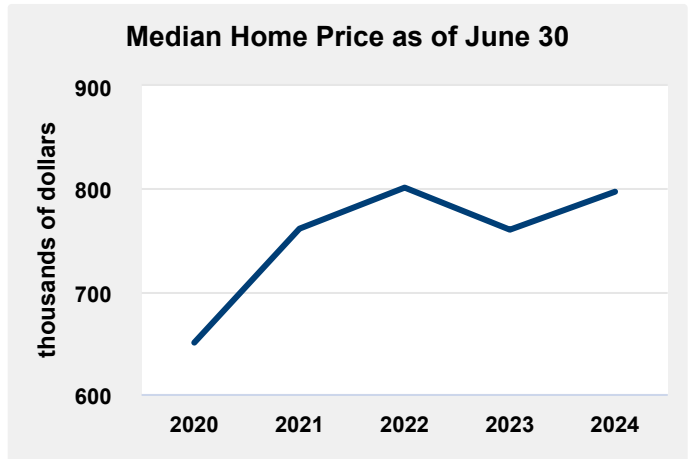


Retail Sales

- Retail sales county-wide decreased 3.2% to \$12.0 billion for the 2023 calendar year, from \$12.4 billion for the 2022 calendar year.
- County unincorporated area retail sales stayed the same at \$2.4 billion in both 2023 and 2022 calendar years.

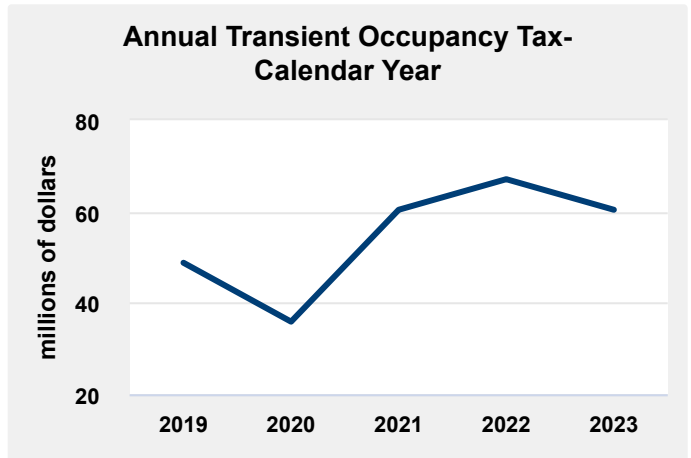
Real Estate

- As of June 2024, the median home price increased 4.9% to \$797,000 from \$760,000 in June 2023.
- Certified valuation of secured and unsecured property, including residential and non-residential, increased 11.2% to \$120.4 billion for fiscal year 2023-24 from \$108.3 billion for fiscal year 2022-23.
- Certified valuation of residential property increased 11.7% to \$84.2 billion for fiscal year 2023-24 from \$75.4 billion for fiscal year 2022-23.
- Certified valuation of non-residential property increased 10.0% to \$36.2 billion for fiscal year 2023-24 from \$32.9 billion for fiscal year 2022-23.



Tourism

- Sonoma County’s lodging industry average annual occupancy decreased to 59.5% in calendar year 2023 from 64.1% in calendar year 2022.
- County-wide transient occupancy tax (TOT) collections decreased 10.0% to \$60.4 million in 2023 compared to \$67.1 million in 2022. However, TOT increased 4.9% to \$23.7 million for the first two quarters of 2024, compared to \$22.6 million for the first two quarters of 2023.



FINANCIAL INDICATORS

The reporting period for the financial indicators is fiscal year 2023-24. County and other governmental agency's transient occupancy tax increased 1.7%, local sales tax decreased 2.7%, and the County's largest revenue source, secured property taxes, increased 5.9%. The County General Fund's share of secured property tax revenue increased 5.3%.

California's 2024-25 Budget Act includes a \$297.9 billion spending plan. This budget marks the second consecutive year in which the State closed a budget gap through a mixture of spending reductions, pauses, and use of reserves and fund balance in other funds. While there is less uncertainty over Income Taxes, as FY 2024-25 filing deadlines were not impacted by disasters in the same way that 2023-24 was, there is still significant uncertainty around whether rates will rebound from the previous lows.

GOALS AND INITIATIVES

On March 2, 2021, the Sonoma County Board of Supervisors approved a Five-Year Strategic Plan that includes a broad spectrum of goals that will shape the County's priorities and activities in the coming years. The Strategic Plan identifies five pillars: Healthy and Safe Communities; Organizational Excellence; Racial Equity and Social Justice; Climate Action and Resiliency; and Resilient Infrastructure. Each of these pillars have accompanying goals and objectives. See <https://sonomacounty.ca.gov/Board-of-Supervisors/Strategic-Plan/>

Pillar I - Healthy and Safe Communities

Provide quality and equitable housing, health, and human services for all.

- Goal 1: Expand integrated system of care to address gaps in services to the County's most vulnerable
- Goal 2: Establish equitable and data-driven distribution of services
- Goal 3: In collaborations with cities, increase affordable housing development near transportation and easy access to services
- Goal 4: Reduce the County's overall homeless population by 10% each year by enhancing services through improved coordination and collaboration
- Goal 5: Continue to invest in public safety so that residents and visitors feel safe in our community

Pillar II - Organizational Excellence

Be an innovative, effective, engaged, and transparent organization focused on quality programs and services.

- Goal 1: Strengthen operational effectiveness, fiscal reliability, and accountability
- Goal 2: Increase information sharing and transparency and improve County and community engagement
- Goal 3: Become an employer of choice with a diverse workforce that reflects our community, and an employer with a positive work culture that results in engaged and developed employees
- Goal 4: Seek out grant funding to enhance programs and improve infrastructure

Pillar III - Racial Equity and Social Justice

Achieve racial equity in County service provision and ensure a workforce reflective of the community we serve.

- Goal 1: Foster a County organizational culture that supports the commitment to achieving racial equity
- Goal 2: Implement strategies to make the County workforce reflect County demographic across all levels
- Goal 3: Ensure racial equity throughout all County policy decisions and service delivery
- Goal 4: Engage community and stakeholder groups to develop priorities and to advance racial equity

Pillar IV - Climate Action and Resiliency

Make Sonoma County carbon neutral by 2030.

- Goal 1: Continue to invest in wildfire preparedness and resiliency strategies
- Goal 2: Invest in the community to enhance resiliency and become carbon neutral by 2030
- Goal 3: Make all County facilities carbon free and zero waste and resilient

- Goal 4: Maximize sustainability and emissions reductions in all County Fleet vehicles
- Goal 5: Maximize opportunities for mitigation of climate change and adaptation through land conservation work and land use policies

Pillar V - Resilient Infrastructure

Enhance community resilience to fire and other hazards by investing in County facilities and infrastructure; including roads, buildings and property, communications, and flood protection.

- Goal 1: Invest in County buildings and technology to enhance service delivery and improve employee mobility
- Goal 2: Invest in capital improvements to ensure continuity of operations and disaster response
- Goal 3: Continue to invest in critical road, bridge, bicycle, and pedestrian infrastructure
- Goal 4: Implement countywide technological solutions to promote resiliency and expand community access
- Goal 5: Support, fund, and expand flood protection

The following highlights represent a partial list of initiatives accomplished in fiscal year 2023-24 in support of the Goals noted above:

- The County secured \$44.1 million in grant funding for strategic priorities, up from \$28.7 million in 2022, including initiatives to deliver mental health services, reduce homelessness and protect the environment.
- Last year, 73% of County department and agency leaders completed a new racial equity training program. The results are being used to create a racial equity training program for all County employees.
- The number of County contracts using results-based accountability to measure performance increased from six contracts to 53 contracts.
- Ag + Open Space acquired five conservation easements for 1,127 acres of land in 2023 and purchased the 378-acre Chanslor Ranch property for use as a future park on the coast, providing opportunities for carbon sequestration and other community benefits.
- The Board of Supervisors approved \$3.5 million in upgrades to make the Santa Rosa Veterans Memorial Building more energy efficient and resilient to power outages and climate change.
- The County contracted out for tree removal on Lakeville Highway and along 7th Street East in the city of Sonoma, as well as vegetation management on over 100 miles of Class II bicycle lanes.
- The County completed more than 40 miles of roadside fire fuel reduction in geographically isolated areas, an increase over 25 miles cleared in 2022.

LONG-TERM FISCAL OUTLOOK

The County's fiscal position is strong, but there are significant question marks around the future. Growth in property tax, which is the largest source of discretionary revenue for the County, is expected to slow significantly for the next several years. While property values have not seen a significant reduction, property sales have been impacted by higher interest rates. Under Proposition 13, annual growth on properties that do not either change hands or receive improvements is capped at 2%, local governments count on sales for most growth in tax value. Even if interest rates continue to drop and property sales rebound, there will be a lag before this growth is realized in County revenues.

Sales tax revenue is expected to be nearly flat over the next few years. The County is impacted by the increased move to online sales which result in much sales tax being directed to the location an item is shipped from rather than the County. Should the state enter a significant recession, these figures could drop significantly.

Demand for County services is not reducing. Disaster mitigation, the fight against homelessness, strengthening mental health and social safety net services, and striving for social equity all remain critical challenges. Changing priorities at the federal level may impact funding that is critical for providing many of these services.

The County is committed to fiscal sustainability, working within its means while engaging the community in opportunities to ensure funding for community priorities, and works constantly to best provide critical services while maintaining a balanced budget and sufficient reserves to weather potential downturns.

RELEVANT FINANCIAL POLICIES

Balanced Budget

The budget must balance expenditure appropriations with resources. The County must live within its own means and avoid disturbing other local jurisdictions' revenue sources to resolve its deficiencies. Furthermore, any deviation from a balanced budget is not permitted by the California State Government Code, which states: "In the recommended, adopted, and final budgets the funding sources shall equal the financing uses." (Government Code §29009).

Expenditure Management & Control

Federal and State program reductions will not be backfilled with County discretionary revenues except by the Board of Supervisors direction. The Board typically does not backfill these programs due to their sheer size and magnitude on the County's financial position.

Debt Management

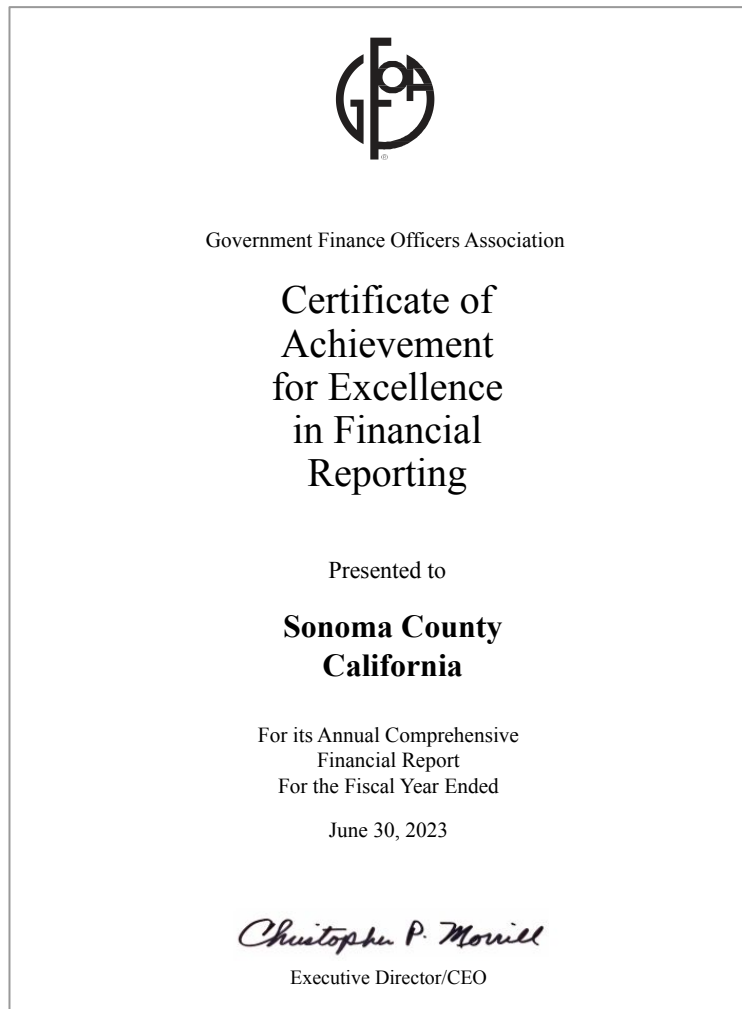
The County has a Debt Advisory Committee (DAC) to provide guidance and support related to all County debt issuance and management. The DAC provides the County Administrator and the Board of Supervisors a review process to ensure that all potential debt obligations are evaluated for cost effectiveness, optimal structure and the ability to maintain post issuance compliance requirements.

Fund Balance Reserve

Sonoma County will create and maintain a prudent level of financial resources to protect against the need to reduce service levels or raise fees due to temporary revenue shortfalls or unpredicted one-time expenditures. Consistent with best practice recommendations from the Government Finance Officers Association (GFOA), the County will strive to maintain a total unassigned General Fund Reserve balance equal to 1/6, or 2 months, of annual General Fund operating revenues.

AWARDS AND ACKNOWLEDGMENTS

Financial Reporting Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County’s ACFR for the fiscal year ended June 30, 2023. This was the thirty-second consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The current ACFR is expected to meet the Certificate of Achievement Program’s requirements and will be submitted to the GFOA to determine its eligibility for another certificate.



Budget Presentation Award: The County received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2023. This was the twenty-ninth consecutive year that the County has achieved this prestigious award, which requires a governmental unit to publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and as a communications device.

Popular Financial Reporting Award: The County received the GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The County has received this prestigious award twenty-six times. This award is a national award that recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

Acknowledgments: The preparation of the Annual Comprehensive Financial Report was achieved through the combined efforts of numerous individuals. We are especially grateful to the Auditor-Controller-Treasurer-Tax Collector’s Office staff for their special efforts and our auditors, Eide

Bailly LLP, for their outstanding efforts and many hours, which helped us achieve our objectives of timely and accurate financial reporting. We would also like to thank all the County departments who participated in its preparation and the Board for its leadership, responsibility, and action that ensure the general fiscal health and integrity of the County.



Erick Roeser
Auditor-Controller-Treasurer-Tax Collector

DIRECTORY OF APPOINTED AND ELECTED OFFICIALS

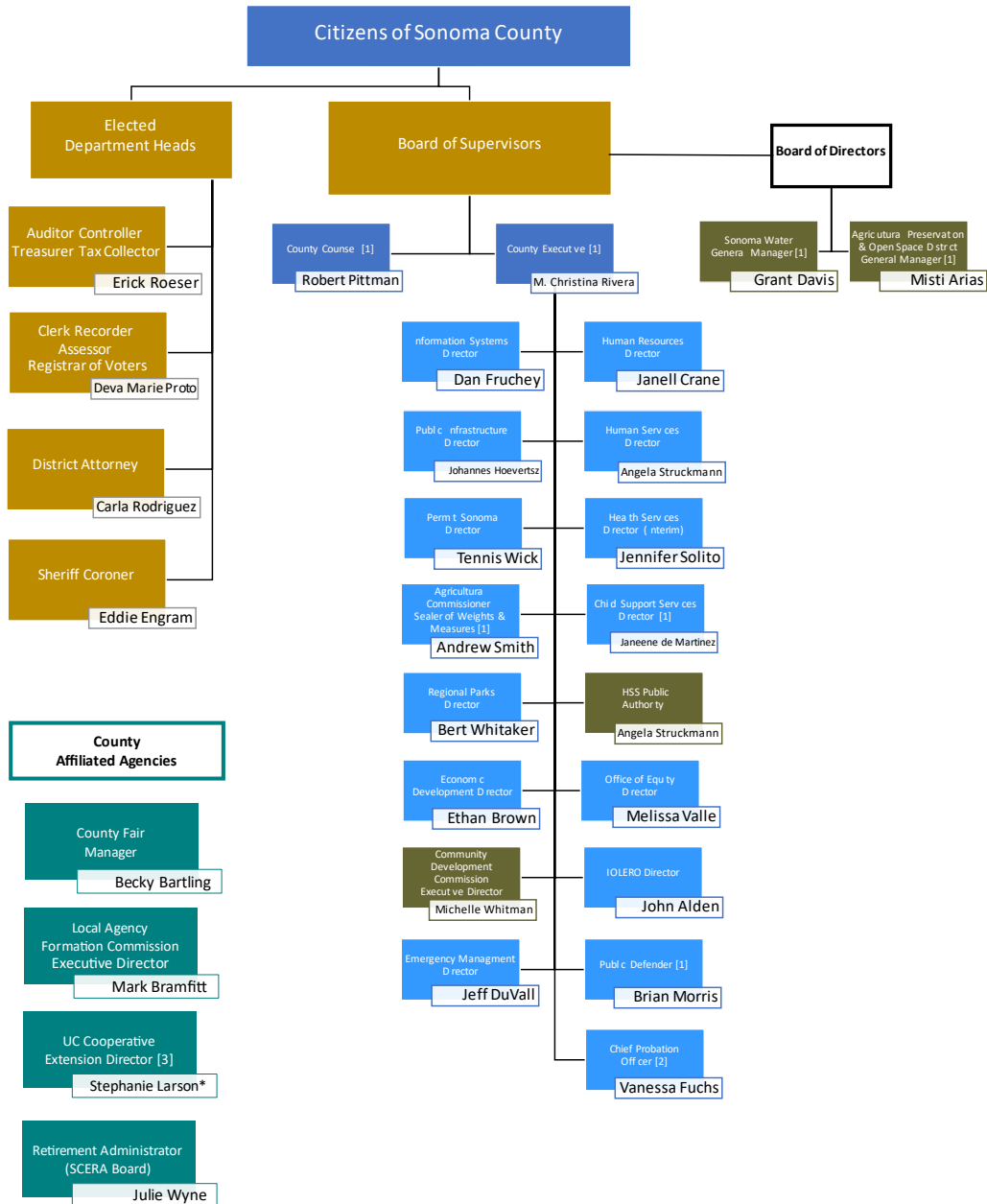
Appointed Officials & Department Heads

Agricultural Commissioner-Sealer of Weights & Measures	Andrew Smith
Agricultural Preservation & Open Space District General Manager	Misti Arias
Child Support Services Director	Janeene de Martinez
Community Development Commission Executive Director	Michelle Whitman
County Executive	M. Christina Rivera
County Counsel	Robert Pittman
Economic Development Collaborative Executive Director	Ethan Brown
Emergency Management Director	Jeff Duvall
Health Services Director (Interim)	Jennifer Solito
Human Resources Director	Janell Crane
Human Services Director	Angela Struckmann
Independent Office of Law Enforcement Review and Outreach Director	John Alden
Information Systems Director	Dan Fruchey
Office of Equity Director	Melissa Valle
Permit Sonoma Director	Tennis Wick
Chief Probation Officer	Vanessa Fuchs
Public Defender	Brian Morris
Regional Parks Director	Bert Whitaker
Sonoma Public Infrastructure Director	Johannes Hoevertsz
Sonoma Water General Manager	Grant Davis
U.C. Cooperative Extension Director	Stephanie Larson

Elected Officials

Board of Supervisors:	
District One	Susan Gorin
District Two	David Rabbitt
District Three	Chris Coursey
District Four	James Gore
District Five	Lynda Hopkins
Auditor-Controller-Treasurer-Tax Collector	Erick Roeser
Clerk-Recorder-Assessor-Registrar of Voters	Deva Marie Proto
District Attorney	Carla Rodriguez
Sheriff-Coroner	Eddie Engram

COUNTY OF SONOMA ORGANIZATIONAL CHART



LEGEND			
	Elected Officials		BOS Serves as Board of Directors
	1 Appointed by the Board of Supervisors/Directors		1 Appointed by the Board of Supervisors/Directors
	2 Appointed by Presiding Judge of Superior Court		Governed by Affiliate Boards
	3 Appointed by the University of California		3 Appointed by the University of California





Financial Section





Independent Auditor's Report

Board of Supervisors
County of Sonoma, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Sonoma, California (County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sonoma County Agricultural Preservation and Open Space District (nonmajor governmental fund), Integrated Waste Fund (major enterprise fund), Airport Fund (major enterprise fund), Energy Independence Program Fund (major enterprise fund), Transit Fund (major enterprise fund), Community Development Commission (discretely presented component unit), Sonoma County Water Agency (discretely presented component unit), Sonoma Valley County Sanitation District (nonmajor discretely presented component unit), Russian River County Sanitation District (nonmajor discretely presented component unit), South Park County Sanitation District (nonmajor discretely presented component unit), Occidental County Sanitation District (nonmajor discretely presented component unit), Sonoma County Fair and Exposition, Inc. (nonmajor enterprise fund) and the Sonoma County Employees' Retirement Association (SCERA) (fiduciary fund), which represent the following percentages of assets, net position/fund balance and revenues of the opinion units listed below as of June 30, 2024:

Opinion Unit	Assets	Net Position/ Fund Balances	Revenues
Aggregate Discretely Presented Component Units	100%	100%	100%
Governmental Activities	17%	23%	4%
Business-Type Activities	97%	96%	95%
Aggregate remaining fund information	56%	61%	15%
Major Enterprise Fund – Transit Fund	100%	100%	100%
Major Enterprise Fund – Integrated Waste Fund	100%	100%	100%
Major Enterprise Fund – Airport Fund	100%	100%	100%
Major Enterprise Fund – Energy Independence Program Fund	100%	100%	100%

What inspires you, inspires us. | eidebailly.com

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Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Sonoma County Agricultural Preservation and Open Space District (nonmajor governmental fund), Integrated Waste Fund (major enterprise fund), Airport Fund (major enterprise fund), Energy Independence Program Fund (major enterprise fund), Transit Fund (major enterprise fund), Community Development Commission (discretely presented component unit), Sonoma County Water Agency (discretely presented component unit), Sonoma Valley County Sanitation District (nonmajor discretely presented component unit), Russian River County Sanitation District (nonmajor discretely presented component unit), South Park County Sanitation District (nonmajor discretely presented component unit), Occidental County Sanitation District (nonmajor discretely presented component unit), Sonoma County Fair and Exposition, Inc. (nonmajor enterprise fund) and the Sonoma County Employees' Retirement Association (SCERA) (fiduciary fund) are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules for the Sonoma County Employees' Retirement Association (SCERA) plan and the Sonoma County Other Postemployment Healthcare plan, and the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 County's internal control over financial reporting and compliance.



Rancho Cucamonga, California
December 26, 2024



Management's Discussion and Analysis (Unaudited)



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As management of the County of Sonoma, California (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the County's Basic Financial Statements, which immediately follow this section.

Financial Highlights

- The County's net position was \$2.4 billion at June 30, 2024, an increase from prior year of \$239.2 million.
- The County's net position included \$1.7 billion net investment in capital assets, \$546.8 million in restricted net position, and \$125.9 million in unrestricted net position.
- The County's governmental funds reported a combined ending fund balance of \$1.04 billion, an increase of \$42.4 million over prior year. Amounts available for spending include restricted, committed, assigned, and unassigned fund balances and total 98.3% of ending fund balance. Of this amount, \$526.8 million is restricted by law or externally imposed requirements, \$31.9 million is committed for specific purposes, \$398.6 million is assigned to specific purposes determined by the Board of Supervisors and the County Administrator's Office, \$63.6 million is unassigned. \$18.1 million is nonspendable.
- The General Fund unassigned fund balance was \$63.6 million, or 11.6% of total General Fund expenditures.

Additional information and analysis on the financial highlights follow in the sections and tables below.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements provide a broad overview of the County's finances in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the County's overall financial status.

The Statement of Net Position is conceptually the same as a balance sheet in the private-sector. The Statement of Activities reports income (revenues) and expenses. Changes in net position (revenues and expenses) are reported as soon as the underlying event occurs, regardless of the timing of related cash flows, which may occur in a future fiscal year (e.g., uncollected taxes and earned but unused vacation leave).

Government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of costs through user fees and charges (business-type activities). Governmental activities include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. Business-type activities include Integrated Waste, the Charles M. Schultz Sonoma County Airport (Airport), Sonoma County Energy Independence Program (SCEIP), Sonoma County Transit, the Sonoma County Fair and Exposition Inc. (Fair), Marinas, and other districts.

Component units are included in government-wide financial statements and are legally separate entities for which the County is financially accountable. If the component unit provides services exclusively to the County or has substantially the same governing board as the County, and there is a financial benefit or burden relationship or County management has operational responsibility, then the component is classified as a blended component unit. If a component unit does not meet the preceding requirements it is presented as a discrete component unit.

The County's blended component units include:

- Sonoma County Fair and Exposition, Inc.
- Sonoma County Securitization Corporation
- Sonoma County Agricultural Preservation and Open Space District
- Sonoma County Public Financing Authority

The County's discrete component units include:

- Sonoma County Water Agency (Sonoma Water)
- Sonoma County Community Development Commission
- Four sanitation districts: Sonoma Valley County Sanitation District, Russian River County Sanitation District, South Park County Sanitation District, and Occidental County Sanitation District
- Sonoma County Water and Wastewater Financing Authority (The Financing Authority or WFA). WFA does not issue separate financial statements and is included in the discrete component financial information for Sonoma Water and the Sonoma Valley and South Park Sanitation Districts. Additional information on WFA is available in the Notes to the Basic Financial Statements, Note 1 – Summary of Significant Accounting Policies.

The County's component units fiduciary in nature include:

- Sonoma County Employees' Retirement Association (SCERA)

Fund Financial Statements

Fund financial statements are groupings of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 fund financial statements focus on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing what financial resources are available or may be needed in the future to finance County programs.

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. 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 County maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The County maintains four major funds: General Fund, Human Services Special Revenue Fund, Health and Sanitation Special Revenue Fund, and Open Space Special Tax Account Special Revenue Fund. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund, special revenue, debt service and capital project funds. Budgetary comparison schedules are included for each of these funds elsewhere in this report.

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are included in the government-wide financial statements as business-type activities and include Integrated Waste, Airport, SCEIP, Transit, Fair, Marinas, and other districts.

Internal service funds are included in the government-wide financial statements under governmental activities as they predominantly benefit governmental rather than business-type functions. These funds are used to account for and allocate costs internally among the County's various internal functions. Internal service funds used by the County include: Insurance, Heavy Equipment Replacement, Enterprise Resource Planning (ERP) System, Employee Retirement and Other Postemployment Benefits (OPEB).

The proprietary fund financial statements provide separate information for Integrated Waste, Airport, SCEIP, and Transit, all of which are considered to be major funds of the County. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the government and therefore are not reflected in the government-wide financial statements.

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

Required Supplementary Information — In addition to the basic financial statements and accompanying notes, required supplementary information includes information on the County's Pension Plan, OPEB Plan, and budgetary comparison schedules.

Other Supplementary Information — Includes the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, nonmajor component units and the fiduciary combining statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time net position serves as a useful indicator of a government's financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.4 billion at the close of the fiscal year.

All dollar amounts in the following charts and analytics are expressed in thousands unless stated otherwise.

Summary of Net Position June 30, 2024 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2024	2023	2024	2023	2024	2023	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 1,383,391	\$ 1,282,663	\$ 147,602	\$ 142,584	\$ 1,530,993	\$ 1,425,247	\$ 105,746	7.4%
Capital assets	1,666,476	1,563,757	197,620	193,412	1,864,096	1,757,169	106,927	6.1%
Total assets	3,049,867	2,846,420	345,222	335,996	3,395,089	3,182,416	212,673	6.7%
Deferred outflows of resources	166,355	296,587	3,135	3,446	169,490	300,033	(130,543)	(43.5%)
Liabilities:								
Current and other liabilities	282,622	246,415	14,981	20,727	297,603	267,142	30,461	11.4%
Long-term liabilities	720,849	886,926	56,776	53,879	777,625	940,805	(163,180)	(17.3%)
Total liabilities	1,003,471	1,133,341	71,757	74,606	1,075,228	1,207,947	(132,719)	(11.0%)
Deferred inflows of resources	43,259	64,197	37,390	40,805	80,649	105,002	(24,353)	(23.2%)
Net position:								
Net investment in capital assets	1,553,968	1,459,079	182,044	177,322	1,736,012	1,636,401	99,611	6.1%
Restricted	515,743	496,380	31,080	26,979	546,823	523,359	23,464	4.5%
Unrestricted	99,781	(9,990)	26,086	19,730	125,867	9,740	116,127	1192.3%
Total net position	\$ 2,169,492	\$ 1,945,469	\$ 239,210	\$ 224,031	\$ 2,408,702	\$ 2,169,500	\$ 239,202	11.0%

Analysis of Net Position

The County's total net position increased 11.0% in the current fiscal year. Changes in the County's net position are described below.

Net Investment in Capital Assets

The largest portion of the County's net position is net investment in capital assets (e.g. land, buildings, roads, bridges, machinery, equipment, and intangible assets), less the outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be obtained from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net investment in capital assets was \$1.7 billion at fiscal year-end and consists of investment in capital assets (net of accumulated depreciation) of \$1.9 billion less related debt, an increase of \$99.6 million, or 6.1%.

Restricted Net Position

Restricted net position of \$546.8 million represents resources that are subject to external restrictions on their use, or by enabling legislation.

Restricted net position increased \$23.4 million or 4.5%. The primary changes to restricted net position, by function, include:

- Health services programs increased \$20.6 million primarily due to a combination of increased funding in Mental Health Services Act, Health and Mental Health Realignment, and Homeless Services programs

- Public protection increased by \$9.5 million due to continued increases in Probation realignment revenues related to Community Correction Partnership as well as Juvenile Justice, and District Attorney settlement payments to enforce environmental and consumer protection laws
- Public assistance increased \$6.4 million primarily due to increased protective services 2011 realignment funding and grants for economic assistance and welfare programs
- Agricultural preservation and open spaces decreased \$14.9 million, from \$84.4 million to \$69.5 million primarily from increased acquisitions of various conservation easements
- Integrated Waste contractual commitments increased \$3.9 million mainly from increased collections from landfill agreements between county and cities

Unrestricted Net Position

The County's prior year unrestricted net position surplus of \$9.7 million was increased by \$116.2 million to a surplus of \$125.9 million. The majority of the variance was due to change in deferred amounts related to pension and OPEB.

Analysis of Primary Government

Change in net position (net revenue) of the Primary Government (Governmental and Business-Type Activities) increased 11.2% to \$239.2 million from \$215.0 million in prior year. The increase is driven by higher operating grants and contributions in health and sanitation, public assistance, and public ways and facilities, along with higher investment earnings; partially offset by higher expenses in health and sanitation, general government, public protection, and public assistance areas.

Changes in Net Position For the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2024	2023	2024	2023	2024	2023	Dollar Change	Percent Change
Revenues:								
Program revenues:								
Charges for services	\$ 114,115	\$ 117,413	\$ 38,444	\$ 35,790	\$ 152,559	\$ 153,203	\$ (644)	(0.4%)
Operating grants and contributions	680,469	608,609	18,779	25,399	699,248	634,008	65,240	10.3%
Capital grants and contributions	4,010	4,905	11,060	8,237	15,070	13,142	1,928	14.7%
General revenues:								
Property taxes	339,577	325,693	-	-	339,577	325,693	13,884	4.3%
Documentary transfer taxes	5,870	6,124	-	-	5,870	6,124	(254)	(4.1%)
Transient occupancy taxes	30,048	29,507	-	-	30,048	29,507	541	1.8%
Grants and other unrestricted governmental revenues	101,216	102,480	-	-	101,216	102,480	(1,264)	(1.2%)
Unrestricted investment earnings	61,554	20,513	4,208	1,669	65,762	22,182	43,580	196.5%
Other	55,764	63,444	3,118	2,243	58,882	65,687	(6,805)	(10.4%)
Total operating revenues	1,392,623	1,278,688	75,609	73,338	1,468,232	1,352,026	116,206	8.6%
Expenses:								
General government	152,303	132,080	-	-	152,303	132,080	20,223	15.3%
Public protection	391,851	379,172	-	-	391,851	379,172	12,679	3.3%
Public ways and facilities	55,351	51,626	-	-	55,351	51,626	3,725	7.2%
Health and sanitation	235,938	191,818	-	-	235,938	191,818	44,120	23.0%
Public assistance	274,084	266,560	-	-	274,084	266,560	7,525	2.8%
Education	1,412	1,673	-	-	1,412	1,673	(261)	(15.6%)
Recreation and cultural services	40,124	38,874	-	-	40,124	38,874	1,250	3.2%
Interest on long-term debt	14,356	16,671	-	-	14,356	16,671	(2,315)	(13.9%)
Integrated Waste	-	-	8,407	6,846	8,407	6,846	1,561	22.8%
Airport	-	-	13,814	13,688	13,814	13,688	126	0.9%
Energy Independence Program	-	-	1,898	1,918	1,898	1,918	(20)	(1.0%)
Transit	-	-	23,251	21,372	23,251	21,372	1,879	8.8%
Fair	-	-	12,063	10,459	12,063	10,459	1,604	15.3%
Marinas	-	-	2,844	3,084	2,844	3,084	(240)	(7.8%)
Other	-	-	1,334	1,142	1,334	1,142	192	16.8%
Total operating expenses	1,165,419	1,078,473	63,611	58,509	1,229,030	1,136,982	92,048	8.1%
Excess before transfers	227,204	200,215	11,998	14,829	239,202	215,044	24,158	11.2%
Transfers	(3,181)	(1,068)	3,181	1,068	-	-	-	0%
Change in net position	224,023	199,147	15,179	15,897	239,202	215,044	24,158	11.2%
Net position, beginning of year	1,945,469	1,746,322	224,031	208,134	2,169,500	1,954,456	215,044	11.0%
Net position, end of year	\$ 2,169,492	\$ 1,945,469	\$ 239,210	\$ 224,031	\$ 2,408,702	2,169,500	\$ 239,202	11.0%

Analysis of Governmental Activities

Governmental activities increased the County's net position \$224.0 million and accounted for 93.7% of the County's total increase in net position from current year activities. Governmental activities operating revenues exceeded operating expenses by \$227.2 million. Transfers to business-type activities decreased net position by \$3.2 million.

Revenues:

Operating revenues for the County's governmental activities increased 8.9% from the prior year amount of \$1.28 billion to \$1.39 billion. Revenues are divided into two categories: program revenues and general revenues.

Program Revenues:

Program revenues increased \$67.7 million or 9.3%, from the prior year to \$798.6 million. The majority of program revenues consist of charges for services and operating grants and contributions tied to federal and state reimbursements of County costs for mandated programs such as public assistance, public protection, health and behavioral wellness. Program revenues represent 57.3% of the County's funding for governmental activities.

- Operating grants and contributions increased by \$71.9 million or 11.8% to \$680.5 million. The significant changes included the following:
 - ◆ Health and sanitation increase of \$39.5 million primarily due to:
 - ▲ \$19.3 million increase in Mental Health Services Act funding
 - ▲ \$10.1 million increase in funding for homelessness services
 - ▲ \$8.6 million increase in Federal Financial Participation (FFP) funding for behavioral health services
 - ▲ \$2.5 million increase in Realignment revenues from higher sales tax volume
 - ◆ Public assistance increase of \$19.4 million primarily due to:
 - ▲ \$1.4 million increase in Realignment revenues from higher sales tax volume
 - ▲ \$2.1 million increase in state funding for In Home Support Services
 - ▲ \$5.6 million increase in federal and state grants for economic assistance programs such as CalWORKS
 - ▲ \$8.0 million increase in federal and state funding due to increased welfare caseloads to provide financial assistance to families in need
 - ◆ Public ways and facilities increase of \$12.5 million due to increased federal and CalTrans reimbursements due to higher construction activities

General Revenues:

General revenues had an overall increase of \$46.3 million, or 8.4%, to \$594.0 million from the prior year. These revenues include general taxes that provide the Board of Supervisors with discretionary spending ability. The primary reasons for the increase are as follows:

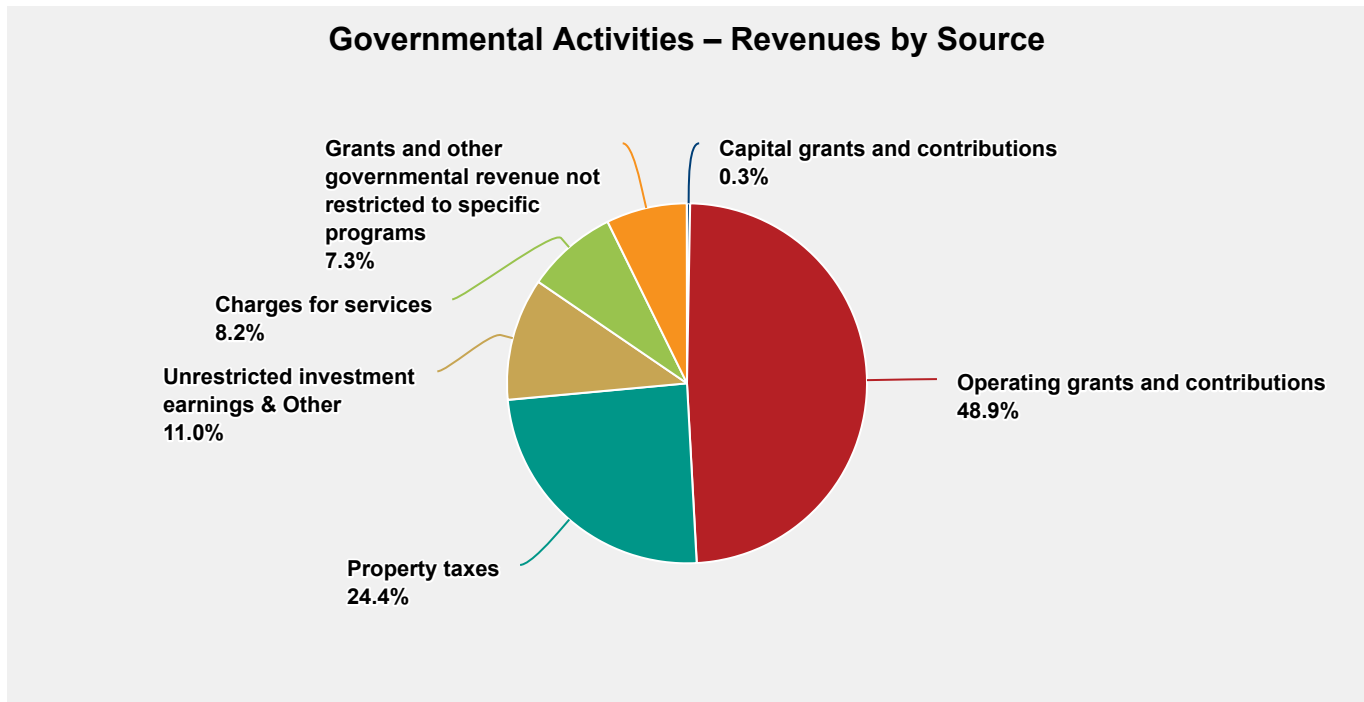
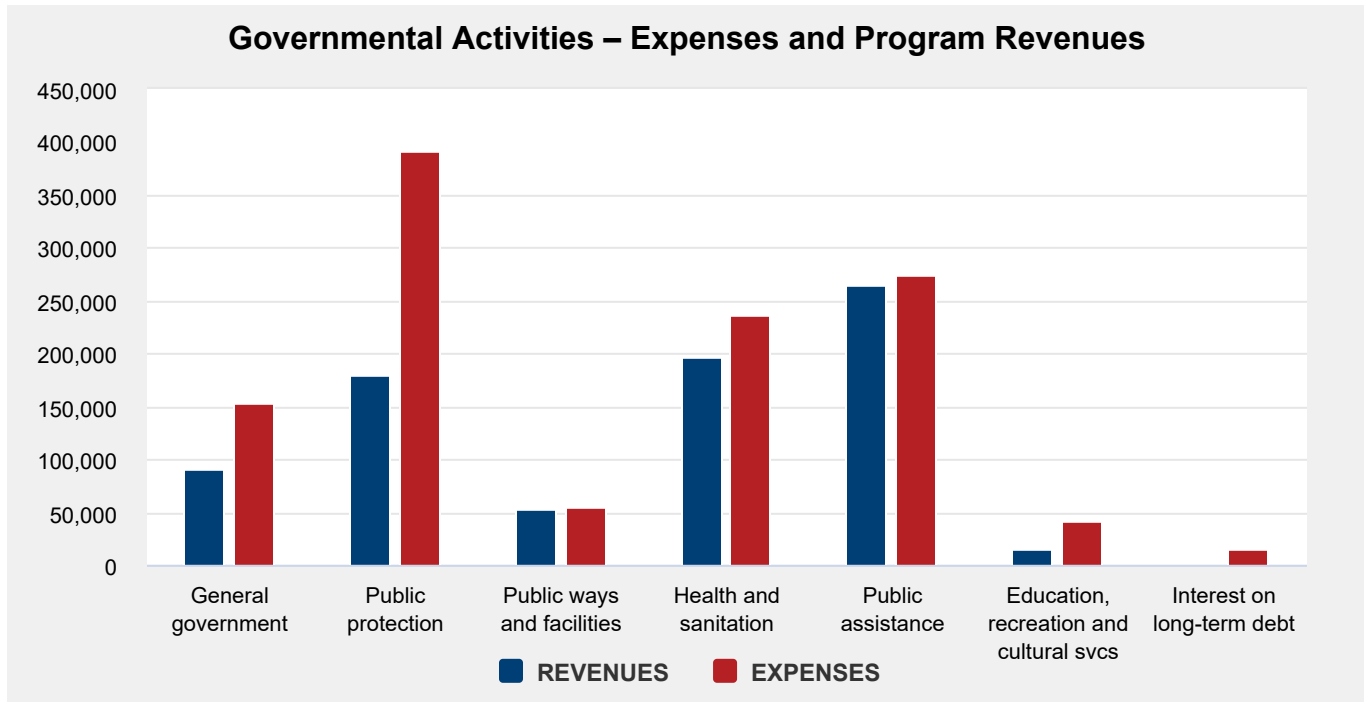
- Property tax revenue \$13.9 million increase attributable to sustained growth in assessed values along with higher supplemental assessments, growth in utilities roll, and restoration of fire affected parcels
- Grants and other unrestricted revenues decreased \$1.3 million primarily due to a decrease in sales and use tax revenues, in particular from lower Measure O revenue in Health Services and lower Measure F revenues in Open Space
- Investment earnings increased \$41.0 million in total due to the fair value adjustment required for reporting investments as well as higher quarterly interest earnings on pooled cash
- Other general revenues decreased \$7.7 million mostly due to lower realignment payments related to VLF and sales tax growth apportionments received by Health and Human Services

Expenses:

Total expenses for governmental activities increased \$86.9 million from prior year to \$1.17 billion due primarily to:

- Health and sanitation expenses increased \$44.1 million, or 23.0%, mainly due to:
 - ◆ Increase of \$12.6 million to support Mental Health Services, Homelessness, and Sonoma County Animal Services programs
 - ◆ Increase of \$6.7 million driven by increased contractual expenditures for support and care of persons in Behavioral Health programs
 - ◆ Increase of \$18.2 million driven primarily by increased contractual expenditures for ending homelessness programs
- General government expenses increased \$20.2 million, or 15.3% due in most part to:
 - ◆ Increase of \$9.8 million in contributions and community grants, including one-time contribution to the Community Development Commission for the Tierra de Rosas master development plan for new affordable housing totaling \$11.1 million, increase in grants to the community for vegetation management, cannabis ordinance compliance, and infrastructure projects of \$2.6 million, and increase in American Rescue Plan Act (ARPA) program expenses of \$1.1 million. Increases were offset by decreases in one-time contributions made in FY2022-23
 - ◆ Increase of \$12 million in salary expenditures driven by an increase in the accrual for compensated absences of \$5.8 million as well as an increase in staffing costs of \$6.1 million to provide mandated services related to elections, property/vital records, and property assessments as well as costs related to enterprise system replacement/modernization and Cybersecurity program expenses
 - ◆ Expenditures were offset by increases in intra-County reimbursements for cost plan allocation charges of \$2.4 million
- Public assistance expenses increased \$7.5 million, or 2.8%, primarily due to:
 - ◆ Increased Welfare Programs related to increased caseloads
- Public protection expenses increased \$12.7 million, or 3.3% primarily due to:
 - ◆ Increases in adult detention and law enforcement expenses for running the Main Adult Detention Facility and providing field services, such as responding to emergency calls for services
 - ◆ Increases in Juvenile Facilities and Juvenile Services expenses as a result of the state closing all divisions of Juvenile Justice secure detention centers
- Public ways and facilities increased \$3.7 million, or 7.2% primarily due to:
 - ◆ Four projects previously categorized as construction in progress which due to changes in the scope of the projects were expensed in FY2023-24

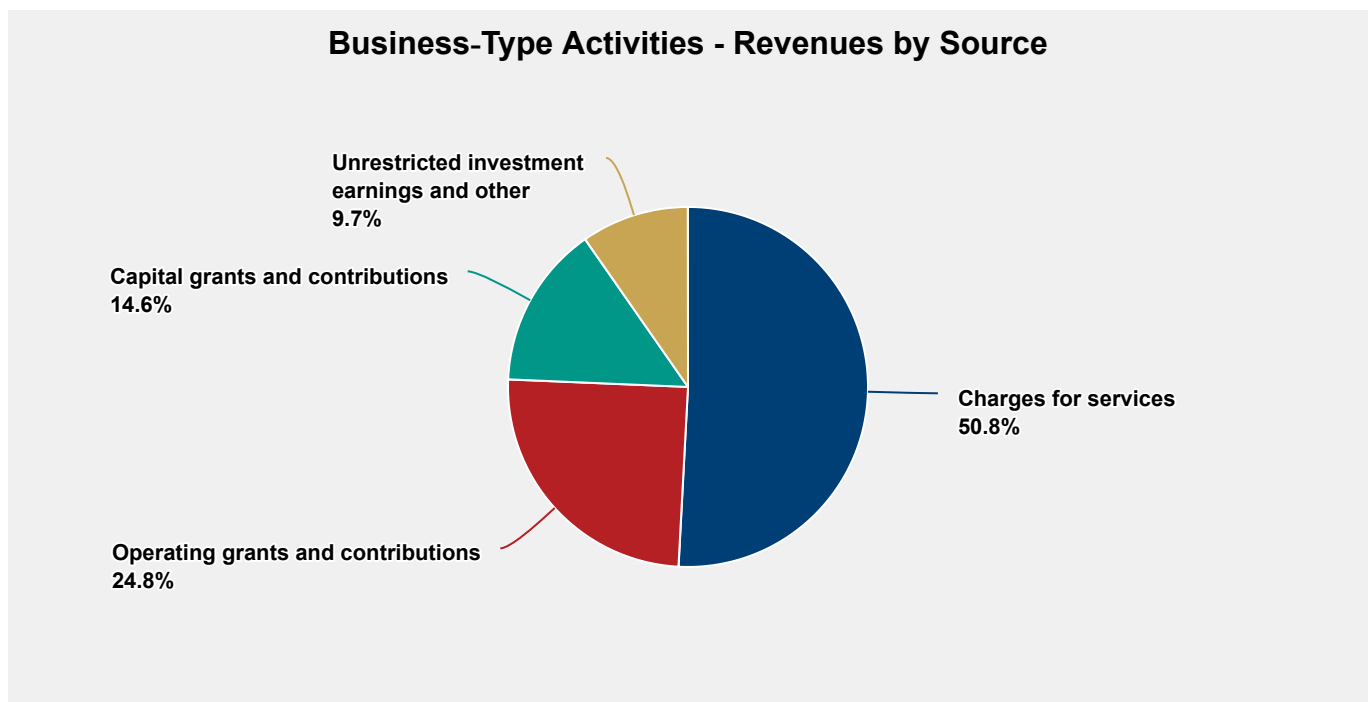
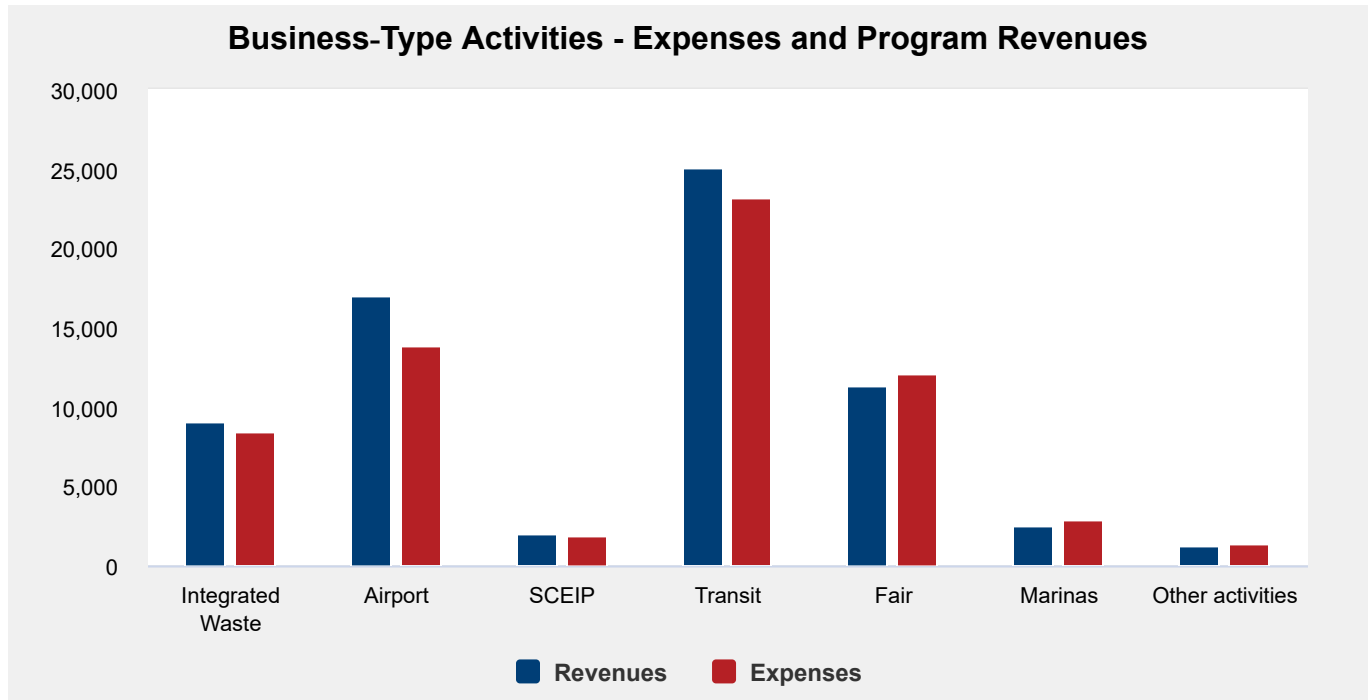
Governmental Activities Comparisons



Business-Type Activities Comparison

Business-type activities net position increased by \$15.2 million, from \$224.0 million to \$239.2 million for the year ended June 30, 2024. Primary drivers for the net position increase were higher Airport and Transit capital grants, along with higher investment earnings.

Revenues for the County's business-type activities increased \$2.3 million from the prior year or 3.1% to \$75.6 million due to higher Airport rents and concessions and increased SCEIP financing income.



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to comply with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government's resources available for spending at the end of the fiscal year.

At June 30, 2024, the County's governmental funds reported combined fund balances of \$1.04 billion, an increase of \$42.4 million compared to fiscal year 2023. The components of fund balance are as follows, and with the exception of nonspendable fund balance, are available for appropriation at any time (See Note 15 – Net Position/Fund Balances):

- Nonspendable fund balance, \$18.1 million, consists of amounts that are not spendable in form or are legally or contractually required to be maintained intact and primarily consists of inventories of \$1.0 million, prepaid items and deposits of \$16.3 million and advances of \$0.8 million.
- Restricted fund balance, \$526.8 million, consists of amounts with constraints put on their use by externally imposed creditors, grantors, laws, regulations and enabling legislation with amounts restricted to:
 - ◆ Agricultural Preservation and Open Space District – \$69.5 million
 - ◆ Capital projects and equipment replacement – \$42.2 million
 - ◆ Debt service – \$4.6 million
 - ◆ Parks donations, mitigation, and operations – \$9.9 million
 - ◆ Courthouse/Criminal Justice Construction – \$3.2 million
 - ◆ Health services programs – \$217.2 million
 - ◆ Fire and emergency services – \$2.3 million
 - ◆ Public assistance – \$69.4 million
 - ◆ Lighting districts – \$13.2 million
 - ◆ Public protection – \$84.3 million
 - ◆ Clerk, Recorder, Assessor operations – \$4.0 million
 - ◆ Other – \$7.0 million
- Committed fund balance, \$31.9 million, consists of amounts that have been committed to specific purposes by the Board of Supervisors and consists of amounts committed to:
 - ◆ Community investment –
 - ◆ Road activities and other – \$21.2 million
- Assigned fund balance, \$398.6 million, represents amounts intended for use as determined by the Board of Supervisors and County Administrator's Office consists of amounts assigned to:
 - ◆ Capital projects and equipment replacement – \$142.4 million
 - ◆ Reserved purposes fund - \$57.1 million
 - ◆ Tribal development impact mitigation – \$47.1 million
 - ◆ Redevelopment agencies – \$6.6 million
 - ◆ General services – \$14.8 million
 - ◆ Public protection – \$23.5 million
 - ◆ Employee health contributions - \$12.1 million
 - ◆ FEMA audit reserve - \$11.9 million
 - ◆ Fire Settlement projects – \$18.7 million
 - ◆ Projected budget deficit – \$13.8 million

- ◆ Cannabis program – \$3.8 million
 - ◆ Community Infra Proj. – \$13.8 million
 - ◆ Other programs – \$33.0 million
- Unassigned fund balance of \$63.6 million represents the residual classification for the General Fund
- Approximately 98.3%, or \$1.02 billion, of the total fund balance is available to the County.

General Fund

The General Fund is the main operating fund of the County. The General Fund's total fund balance increased by 2.5%, or \$8.5 million, to \$349.3 million at June 30, 2024. The nonspendable portion of fund balance was \$12.2 million. The spendable portion was \$337.1 million, an increase of \$10.0 million, or 3.1%, over the prior year balance of \$327.1 million. This increase is mainly due to:

- An increase of \$13.8 million designated for community investments in various infrastructure projects
- An increase of \$13.6 million from Tribal Mitigation contributions for capital improvement projects per agreement with Graton Rancheria
- A decrease of \$15.7 million for projected budget deficits from anticipated increases for approved projects and initiatives
- An increase of \$9.0 million designated for juvenile justice, probation supervision, rehabilitative services, and other public protection programs
- A decrease of \$7.3 million from Fire Settlements fund as transfers to departments continued during this fiscal year to execute directed initiatives

Other – Governmental Funds

As compared with the prior year, the total fund balances of the remaining governmental funds increased 5.2%, or \$33.9 million, to \$689.8 million with the following significant changes:

- Capital Projects fund balance increased \$24.8 million, from \$94.5 to \$119.2 million primarily due to funding received, to be spent on County Center Modernization
- 2011 Realignment (a non-major fund) increased \$20.2 million, from \$86.3 to \$106.5 million primarily due to Behavioral Health and Probation realignment revenues received from the State for prior years, higher investment income, and lower disbursements to other funds
- Health and Sanitation (a major fund) fund balance increased \$12.0 million, from \$180.1 to \$192.1 million primarily due to increased funding in Mental Health Services Act, Health and Mental Health Realignment, and Homeless Services
- Open Space Special Tax Account (a major fund) decreased \$14.9 million, from \$84.4 to \$69.5 million primarily from increased acquisitions of various conservation easements
- Roads (a non-major fund) fund balance decreased \$11.2 million, from \$37.3 to \$26.1 million primarily due to increased spending on various road pavement projects and increased clean-up services from past disasters
- Human Services (a major fund) fund balance increased \$2.7 million, from \$43.8 to \$46.6 million primarily due to increased protective services 2011 realignment funding and grants for economic assistance and welfare programs

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. County enterprise activities increased net position by \$15.2 million in the current year mostly due to:

- Integrated Waste net position increased \$5.7 million, primarily due to an increase in current year investment income and franchise fees
- Airport net position increased \$5.6 million, primarily related to Federal grants for the Airport's terminal expansion and other capital projects, along with higher rents and concession revenue

- Transit net position increased \$2.9 million, mainly from higher contributions from federal, state, and local agencies to fund capital acquisitions

Current year activities of the internal service funds (ISF) increased the net position of the ISF \$86.5 million primarily due to the following:

- Employee Retirement net position increased by \$48.1 million, mainly from lower benefit expenses
- Other Postemployment Benefits (OPEB) net position increased by \$35.0 million, the majority due to fund investment performance and lower benefit expenses

General Fund Budgetary Highlights

The County's final budget appropriations for General Fund expenditures increased \$90.6 million over the original budget, or 16.7%. In Fiscal Year 2023-24, notable drivers were associated with the implementation of special projects approved by the Board, such as the Vegetation Management Community Grant program, equipment purchases in Fleet, Strategic Plan investments and the Water Security Project.

Revenues:

General Fund actual revenues were \$14.3 million less than final budget revenue estimates. The main reasons are as follows:

- Intergovernmental revenue was \$30.1 million lower due largely to lower recognition of American Rescue Plan Act (ARPA) revenues than originally budgeted. ARPA funds were received in advance, but are only recognized as they are expended. The budget accounted for funds that were committed, but which were anticipated to be expended over several years. The County expects to expend its full ARPA allocation and recognize these revenues within the allotted timeline
- Use of money and property was \$17.9 million higher due to higher interest earnings due to higher rates. Interest earnings are budgeted conservatively as they can vary greatly depending on factors outside of the County's control
- Tax revenues were higher by \$0.3 million over budget primarily due to higher supplemental tax receipts
- Other revenues were \$5.9 million higher due to miscellaneous revenues in non-general fund units of non-departmental budget
- Fines, forfeitures and penalties was \$2.4 million lower due to lower revenues related to Code Enforcement than anticipated

Expenditures:

General Fund variance between the final budget and actual expenditures resulted in \$72.8 million of unspent appropriations. Key variances are as follows:

- \$55.6 million savings in General Government expenditures primarily due to budgets associated with long term projects, including those funded by ARPA, that were not fully expended in FY 2023-24
- \$24.7 million savings in Public Protection due to salary savings in Probation, Permit Sonoma, Law Enforcement and Detention as a result of higher than anticipated vacancy rates
- \$4.3 million savings in Capital outlay due to computer equipment replacements and building projects in ISD, Probation and Sheriff which were deferred to future years
- \$1.5 million savings in Recreation and cultural services due to salary savings in Regional Parks

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2024, were \$1.9 billion. Capital assets include land, intangible assets, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in the County's capital assets for the current fiscal year was \$106.9 million or 6.1%.

Capital Assets (net of depreciation) For the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2024	2023	2024	2023	2024	2023	Dollar Change	Percent Change
Capital assets, non-depreciable:								
Land	\$ 357,151	\$ 351,407	\$ 27,720	\$ 27,718	\$ 384,871	\$ 379,125	\$ 5,746	1.5%
Intangible assets	457,779	422,370	-	-	457,779	422,370	35,409	8.4%
Work in progress	5,230	5,628	-	-	5,230	5,628	(398)	(7.1%)
Construction in progress	162,293	150,578	55,008	46,707	217,301	197,285	20,016	10.1%
Total capital assets, non-depreciable	982,453	929,983	82,728	74,425	1,065,181	1,004,408	60,773	6.1%
Capital assets, depreciable:								
Intangible assets	11,431	11,239	2,100	2,386	13,531	13,625	(94)	(0.7%)
Infrastructure	273,521	228,311	9,929	10,452	283,450	238,763	44,687	18.7%
Buildings and improvements	249,244	259,557	87,763	92,232	337,007	351,789	(14,782)	(4.2%)
Land improvements	11,776	12,641	127	143	11,903	12,784	(881)	(6.9%)
Machinery and equipment	38,182	36,777	14,973	13,774	53,155	50,551	2,604	5.2%
Right-to-use lease building	90,003	75,843	-	-	90,003	75,843	14,160	18.7%
Right-to-use lease land	1,872	2,033	-	-	1,872	2,033	(161)	(7.9%)
Right-to-use lease M&E	2,711	2,800	-	-	2,711	2,800	(89)	(3.2%)
Right-to-use asset - SBITA	5,283	4,573	-	-	5,283	4,573	710	15.5%
Total capital assets, depreciable	684,023	633,774	114,892	118,987	798,915	752,761	46,154	6.1%
Total	\$ 1,666,476	\$ 1,563,757	\$ 197,620	\$ 193,412	\$ 1,864,096	\$ 1,757,169	\$ 106,927	6.1%

Capital asset activities during the current fiscal year included the following:

Non-depreciable intangible assets for governmental activities increased \$35.4 million primarily due to easement acquisitions by the Open Space District in 8 different properties. Main increase results from investments in Denner Ranch, Chanslor Ranch, Mark West Wikiup Preserve, and McCormick Ranch-Regional Parks.

The County purchases and constructs capital assets throughout the year. When a capital project is to be completed in a subsequent fiscal year, related current year expenditures are recorded as construction in progress (CIP) or work in progress (WIP). In the year of completion, a project's CIP/WIP is allocated to the appropriate capital asset category.

Total CIP increased \$20.0 million. Capital outlay of \$89.7 million was offset by project completions, transfers, and retirements of \$69.7 million.

The County completed and capitalized CIP projects totaling approximately \$61.7 million. Major and other completed projects include:

- 2022 PPP (Pavement Preservation Program) – 19 different road segments \$22.7 million
- 2023 PPP (Pavement Preservation Program) – 25 different road segments \$20.9 million
- 2017 and 2019 Flood disasters – 7 different capital projects at storm damaged sites \$5.9 million
- ISD – Criminal justice system modernization and efficiency improvements \$1.8 million
- Health – Clients case administration and behavioral health services management system investment \$1.7 million
- Sheriff – Replacement of radio system for supporting dispatch and field operations \$0.8 million

The County acquired an additional \$39.9 million in depreciable assets and recorded total depreciation of \$63.2 million against all depreciable capital assets. Capital asset disposals totaled \$7.5 million net of accumulated depreciation.

Additional information on capital assets is available in the Notes to the Basic Financial Statements, Note 4 – Capital Assets.

Debt Administration

At the end of the current fiscal year, the County had total long-term liabilities of \$871 million.

Long Term Liabilities For the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2024	2023	2024	2023	2024	2023	Dollar Change	Percent Change
Compensated absences	\$ 47,714	\$ 41,878	\$ 794	\$ 677	\$ 48,508	\$ 42,555	\$ 5,953	14.0%
Self-Insurance	72,371	68,296	-	-	72,371	68,296	4,075	6.0%
Certificates of participation	4,920	7,046	-	-	4,920	7,046	(2,126)	(30.2%)
Bonds and bond premium payable	61,568	71,603	31,904	27,189	93,472	98,792	(5,320)	(5.4%)
Pension obligation bonds	183,880	204,945	-	-	183,880	204,945	(21,065)	(10.3%)
Loans payable	-	-	14,713	15,206	14,713	15,206	(493)	(3.2%)
Other long-term obligations	5,915	5,001	6,986	8,186	12,901	13,187	(286)	(2.2%)
Lease liabilities	99,274	83,989	-	-	99,274	83,989	15,285	18.2%
SBITA liabilities	4,384	4,121	-	-	4,384	4,121	263	6.4%
Net pension liability	205,786	344,382	3,385	3,279	209,171	347,661	(138,490)	(39.8%)
Net OPEB liability	125,102	145,100	1,988	1,991	127,090	147,091	(20,001)	(13.6%)
Total	\$ 810,914	\$ 976,361	\$ 59,770	\$ 56,528	\$ 870,684	\$ 1,032,889	\$ (162,205)	(15.7%)

Long-term liabilities decreased by \$162.2 million, or 15.7%, during the current fiscal year ended June 30, 2024.

The decrease was primarily due to the following:

- Net pension liability decrease of \$138.5 million, due to favorable returns on investments at Sonoma County Employee's Retirement Association (SCERA)
- Pension obligation bonds decrease of \$21.1 million, due to scheduled principal payments
- Net OPEB liability decrease of \$20.0 million, due to fund investment performance

Additional information on long-term liabilities is available in the Notes to the Basic Financial Statements, Note 7 – Long-Term Liabilities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Sonoma County has seen a modest increase in unemployment in the past year, however overall numbers remain low. Inflation has cooled, however retail sales have cooled and high interest rates have contributed to a slow housing market, with sales down even as prices remain relatively level. For fiscal year 2024-25 these trends are expected to lead to a decreased rate of property tax growth and near flat sales tax revenue. Overall, however, revenues are expected to increase. Significant variation in state revenues remains a point of concern. While they were not projected to drop in 2024-25, the growth level is expected to be limited. Additionally, changing priorities at the Federal level may impact funding levels going forward.

Requests for Information

This financial report is designed to provide a general overview of the County of Sonoma's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller-Treasurer-Tax Collector's Office, 585 Fiscal Drive, Suite 100, Santa Rosa, CA 95403.

As part of management's commitment to transparency, open government, and citizen engagement, a budget tool is available to facilitate the public's review of the County's budget. The Sonoma County Budget link is <https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/county-administrators-office/budget-and-operations/budget-reports>.



Basic Financial Statements



Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Primary Government			Discrete Component Units		
	Governmental Activities	Business-Type Activities	Total	Sonoma Water	Community Development Commission	Nonmajor Component Units
ASSETS						
Cash and investments	\$ 1,151,949	\$ 76,129	\$ 1,228,078	\$ 190,245	\$ 43,601	\$ 57,422
Restricted cash and investments	7,599	15,390	22,989	26,655	10,804	6,758
Receivables, net	27,523	35,922	63,445	22,577	115,893	2,233
Inventories	1,011	1,184	2,195	-	-	-
Due from other governments	171,997	10,883	182,880	-	-	2,691
Lease receivables	6,499	7,358	13,857	-	-	-
Prepaid expenses and deposits	16,671	878	17,549	2,542	287	23
Internal balances	142	(142)	-	-	-	-
Capital assets:						
Nondepreciable	982,453	82,728	1,065,181	148,275	8,020	20,933
Depreciable, net	684,023	114,892	798,915	193,724	13,395	111,075
Total assets	3,049,867	345,222	3,395,089	584,018	192,000	201,135
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	1,213	-	1,213	159	-	25
Deferred amounts related to pensions	114,663	2,137	116,800	8,619	1,104	-
Deferred amounts related to OPEB	50,479	998	51,477	4,869	812	-
Total deferred outflows of resources	166,355	3,135	169,490	13,647	1,916	25
LIABILITIES						
Accounts payable and accrued liabilities	96,722	6,619	103,341	8,628	4,117	2,862
Due to other governments	10,181	2,610	12,791	5,204	-	-
Advances from grantors and third parties	77,122	908	78,030	-	-	-
Deposits from others	1,943	292	2,235	19	292	-
Interest payable	1,369	457	1,826	2,149	-	403
Other liabilities	5,220	1,101	6,321	6,636	14	-
Long-term liabilities:						
Due within one year	90,065	2,994	93,059	10,075	364	2,129
Due in more than one year	720,849	56,776	777,625	132,149	3,681	25,347
Total liabilities	1,003,471	71,757	1,075,228	164,860	8,468	30,741
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to leases	6,178	7,151	13,329	-	-	-
Refunding and service concession arrangements	117	29,197	29,314	111	-	811
Deferred amounts related to pensions	23,731	379	24,110	2,099	201	-
Deferred amounts related to OPEB	13,233	663	13,896	1,154	486	-
Total deferred inflows of resources	43,259	37,390	80,649	3,364	687	811

See accompanying notes to the basic financial statements

Statement of Net Position (continued)
June 30, 2024
(Dollars in Thousands)

	Primary Government			Discrete Component Units		
	Governmental Activities	Business- Type Activities	Total	Sonoma Water	Community Development Commission	Nonmajor Component Units
NET POSITION						
Net investment in capital assets	1,553,968	182,044	1,736,012	235,608	21,414	107,556
Restricted:						
Capital projects	31,155	-	31,155	-	-	-
Debt service	4,579	-	4,579	-	-	-
Agricultural preservation and open spaces	69,469	-	69,469	-	-	-
Health services programs	217,172	-	217,172	-	-	-
Public protection	84,298	-	84,298	-	-	-
Public assistance	69,354	-	69,354	-	-	-
Parks donations, mitigation and operations	9,909	-	9,909	-	-	-
Lighting districts	13,201	-	13,201	-	-	-
Fire and emergency services	2,343	-	2,343	-	-	-
Courthouse/Criminal Justice construction	3,206	-	3,206	-	-	-
Clerk, Recorder, Assessor operations	4,057	-	4,057	-	-	-
Other programs	7,000	297	7,297	-	-	-
Airport Passenger Facility Charges	-	2,890	2,890	-	-	-
Airport Customer Facility Charges	-	539	539	-	-	-
Integrated Waste contractual commitments	-	26,142	26,142	-	-	-
Fair junior livestock auction	-	126	126	-	-	-
Fair capital asset maintenance	-	86	86	-	-	-
Fair endowment	-	1,000	1,000	-	-	-
Discrete Component Units	-	-	-	105,199	10,370	3,222
Total restricted	515,743	31,080	546,823	105,199	10,370	3,222
Unrestricted	99,781	26,086	125,867	88,634	152,977	58,830
Total net position	\$ 2,169,492	\$ 239,210	\$ 2,408,702	\$ 429,441	\$ 184,761	\$ 169,608

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES				
Primary government:				
Governmental activities:				
General government	\$ 152,303	\$ 50,162	\$ 39,847	\$ 400
Public protection	391,851	37,877	141,489	235
Public ways and facilities	55,351	4,259	48,969	-
Health and sanitation	235,938	12,717	182,189	862
Public assistance	274,084	1,695	262,226	305
Education	1,412	-	-	-
Recreation and cultural services	40,124	7,405	5,749	2,208
Interest on long-term debt	14,356	-	-	-
Total governmental activities	1,165,419	114,115	680,469	4,010
Business-type activities:				
Integrated Waste	8,407	9,036	46	-
Airport	13,814	11,517	-	5,534
Energy Independence Program	1,898	2,051	-	-
Transit	23,251	858	18,733	5,526
Fair	12,063	11,289	-	-
Marinas	2,844	2,493	-	-
Other	1,334	1,200	-	-
Total business-type activities	63,611	38,444	18,779	11,060
Total primary government	\$ 1,229,030	\$ 152,559	\$ 699,248	\$ 15,070
Discrete Component Units:				
Sonoma Water	\$ 121,150	\$ 81,596	\$ 9,421	\$ 2,679
Community Development Commission	75,154	-	94,985	-
Sonoma Valley Sanitation District	17,696	20,209	1,904	2,638
Russian River Sanitation District	6,822	6,700	-	1,904
South Park Sanitation District	3,642	4,827	47	-
Occidental Sanitation District	1,382	553	300	800
Total Discrete Component Units	\$ 225,846	\$ 113,885	\$ 106,657	\$ 8,021
GENERAL REVENUES:				
Taxes:				
Property				
Documentary transfer				
Transient occupancy				
Grants and other governmental revenue not restricted to specific programs				
Unrestricted investment earnings				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Discrete Component Units			
Governmental Activities	Business-Type Activities	Total	Sonoma Water	Community Development Commission	Nonmajor Component Units	
FUNCTION/PROGRAM ACTIVITIES						
Primary government:						
Governmental activities:						
\$ (61,894)	\$ -	\$ (61,894)				General government
(212,250)	-	(212,250)				Public protection
(2,123)	-	(2,123)				Public ways and facilities
(40,170)	-	(40,170)				Health and sanitation
(9,858)	-	(9,858)				Public assistance
(1,412)	-	(1,412)				Education
(24,762)	-	(24,762)				Recreation and cultural services
(14,356)	-	(14,356)				Interest on long-term debt
(366,825)	-	(366,825)				Total governmental activities
Business-type activities:						
-	675	675				Integrated Waste
-	3,237	3,237				Airport
-	153	153				Energy Independence Program
-	1,866	1,866				Transit
-	(774)	(774)				Fair
-	(351)	(351)				Marinas
-	(134)	(134)				Other
-	4,672	4,672				Total business-type activities
(366,825)	4,672	(362,153)				Total primary government
Discrete Component Units:						
			\$ (27,454)	\$ -	\$ -	Sonoma Water
			-	19,831	-	Community Development Commission
			-	-	7,055	Sonoma Valley Sanitation District
			-	-	1,782	Russian River Sanitation District
			-	-	1,232	South Park Sanitation District
			-	-	271	Occidental Sanitation District
			(27,454)	19,831	10,340	Total Discrete Component Units
GENERAL REVENUES:						
Taxes:						
339,577	-	339,577	26,443	-	-	Property
5,870	-	5,870	11,753	-	-	Documentary transfer
30,048	-	30,048	-	-	-	Transient occupancy
101,216	-	101,216	-	-	-	Grants and other governmental revenue not restricted to specific programs
61,554	4,208	65,762	10,969	4,391	2,976	Unrestricted investment earnings
55,764	3,118	58,882	-	(13,297)	-	Other
(3,181)	3,181	-	-	-	-	Transfers
590,848	10,507	601,355	49,164	(8,906)	2,976	Total general revenues and transfers
224,023	15,179	239,202	21,710	10,925	13,316	Change in net position
1,945,469	224,031	2,169,500	407,731	173,836	156,292	Net position, beginning of year
\$ 2,169,492	\$ 239,210	\$ 2,408,702	\$ 429,441	\$ 184,761	\$ 169,608	Net position, end of year

See accompanying notes to the basic financial statements

Balance Sheet
Governmental Funds
June 30, 2024
(Dollars in Thousands)

	General Fund	Human Services Special Revenue	Health and Sanitation Special Revenue	Open Space Special Tax Account Special Revenue	Other Funds	Total
ASSETS						
Assets:						
Cash and investments	\$ 390,998	\$ 15,638	\$ 197,522	\$ 64,571	\$ 352,195	\$ 1,020,924
Cash and investments with trustee	1,842	-	-	-	4,580	6,422
Accounts receivable	12,389	43	1,756	4,898	7,427	26,513
Interest receivable	4	-	-	-	2	6
Due from other funds	2,186	2,719	1,900	-	10,461	17,266
Inventories	206	-	-	-	805	1,011
Due from other governments	38,858	37,033	69,787	-	26,022	171,700
Advances to other funds	790	-	-	-	-	790
Lease receivables	5,331	-	-	-	1,168	6,499
Prepaid items and deposits	11,202	4,305	493	-	326	16,326
Total assets	\$ 463,806	\$ 59,738	\$ 271,458	\$ 69,469	\$ 402,986	\$ 1,267,457
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued salaries and benefits	\$ 43,526	\$ 1,864	\$ 32,109	\$ -	\$ 11,258	\$ 88,757
Due to other funds	1,901	7,519	3,460	-	2,831	15,711
Due to other governments	3,972	1,726	4,003	-	480	10,181
Advances from grantors and third parties	43,547	1,861	26,739	-	4,975	77,122
Deposits from others	1,935	-	-	-	8	1,943
Compensated absences	786	44	-	-	1	831
Other liabilities	295	-	3,887	-	350	4,532
Total liabilities	95,962	13,014	70,198	-	19,903	199,077
Deferred inflows of resources:						
Deferred amounts related to leases	5,076	-	-	-	1,102	6,178
Deferred amounts related to refunding	-	117	-	-	-	117
Unavailable revenue	13,473	55	9,129	-	368	23,025
Total deferred inflows of resources	18,549	172	9,129	-	1,470	29,320
Fund balances:						
Nonspendable	12,198	4,305	493	-	1,131	18,127
Restricted	889	42,247	191,638	69,469	222,546	526,789
Committed	343	-	-	-	31,590	31,933
Assigned	272,255	-	-	-	126,346	398,601
Unassigned	63,610	-	-	-	-	63,610
Total fund balances	349,295	46,552	192,131	69,469	381,613	1,039,060
Total liabilities, deferred inflows of resources, and fund balances	\$ 463,806	\$ 59,738	\$ 271,458	\$ 69,469	\$ 402,986	\$ 1,267,457

See accompanying notes to the basic financial statements

**Reconciliation of the Balance Sheet to Statement of Net Position
Governmental Funds
June 30, 2024
(Dollars in Thousands)**

Fund balances - total governmental funds	\$	1,039,060
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. This amount represents capital assets net of accumulated depreciation/amortization		1,657,035
Certain amounts are not available to pay current period expenditures and therefore are not reported in the governmental funds		
Deferred charge on refunding		1,213
Deferred amounts related to pensions		886
Deferred amounts related to OPEB		493
Certain amounts are not available to pay current period expenditures and therefore are deferred inflows of resources in the governmental funds		23,025
Internal service funds are used by management to charge the costs of other activities to individual funds. The assets, deferred outflows, liabilities, and deferred inflows of certain funds are included as governmental activities in the Statement of Net Position		(327,363)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Accrued interest payable	(450)	
Compensated absences	(46,280)	
Contracts payable	(1,986)	
Lease liability	(102,894)	
Bonds payable	(54,890)	
Bond premium	(6,678)	
Certificates of participation	(4,920)	
Net pension liability	(1,713)	
Net OPEB liability	(1,117)	
Financed purchases	(3,929)	(224,857)
Net position of governmental activities	\$	2,169,492

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	General Fund	Human Services Special Revenue	Health and Sanitation Special Revenue	Open Space Special Tax Account Special Revenue	Other Funds	Total
Revenues:						
Taxes	\$ 378,773	\$ -	\$ 31,001	\$ 31,826	\$ 35,108	\$ 476,708
License, permit, and franchise fees	24,667	57	7,435	-	3,631	35,790
Fines, forfeitures and penalties	10,646	38	716	-	3,375	14,775
Use of money and property	23,186	1,762	8,019	4,217	17,411	54,595
Intergovernmental	136,636	226,235	164,341	-	157,257	684,469
Charges for services	52,538	1,601	4,048	-	5,365	63,552
Other	11,604	4,419	17,396	-	19,117	52,536
Total revenues	638,050	234,112	232,956	36,043	241,264	1,382,425
Expenditures:						
Current:						
General government	137,774	-	-	-	9,443	147,217
Public protection	348,371	-	-	-	62,701	411,072
Public ways and facilities	1,032	-	-	-	37,731	38,763
Health and sanitation	6,350	-	231,657	-	10,296	248,303
Public assistance	345	254,395	-	-	34,322	289,062
Education	1,249	-	-	-	-	1,249
Recreation and cultural services	30,404	-	-	-	9,579	39,983
Capital outlay	15,540	2,428	22,056	-	119,243	159,267
Principal	6,590	5,031	3,385	-	9,744	24,750
Interest and other	681	530	730	-	2,047	3,988
Total expenditures	548,336	262,384	257,828	-	295,106	1,363,654
Excess (deficiency) of revenues over (under) expenditures	89,714	(28,272)	(24,872)	36,043	(53,842)	18,771
Other financing sources (uses):						
Transfers in	33,729	29,463	16,274	-	128,582	208,048
Transfers out	(122,123)	(430)	(464)	(50,960)	(40,645)	(214,622)
Lease inception	2,013	1,951	21,051	-	-	25,015
SBITA inception	2,362	-	-	-	-	2,362
Issuance of long-term debt	2,056	-	-	-	-	2,056
Sales of capital assets	755	-	-	-	7	762
Total other financing sources (uses)	(81,208)	30,984	36,861	(50,960)	87,944	23,621
Net change in fund balances	8,506	2,712	11,989	(14,917)	34,102	42,392
Fund balances, beginning of year	340,789	43,840	180,142	84,386	347,511	996,668
Fund balances, end of year	\$ 349,295	\$ 46,552	\$ 192,131	\$ 69,469	\$ 381,613	\$ 1,039,060

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)**

Net change in fund balances - total governmental funds		\$ 42,392
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense		
Capital outlay	159,267	
Depreciation expense	(51,416)	
Other related capital adjustments	<u>(5,138)</u>	102,713
The Statement of Activities reports gains or losses from the sale of capital assets as the difference between the proceeds from sale of capital assets and the book value of the sold capital assets, while the governmental funds report the proceeds from sale of capital assets. The difference is the book value of the sold capital assets		
		(2,143)
Donations of capital assets increase net position in the Statement of Activities but do not appear in the governmental funds because they are not financial resources		
		662
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds		
		4,201
Issuance of long-term debt provides current financial resources to governmental funds. Repayment of debt principal is an expenditure in the governmental funds. Neither has any effect on net position. Also, governmental funds report the effect of premiums when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities		
Principal repayments	24,750	
Lease inception	(25,015)	
SBITA inception	(2,362)	
Issuance of long-term debt	(2,056)	
Amortization of bond premium	1,038	(3,645)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Change in accrued interest	43	
Change in compensated absences	(7,167)	
Change in net pension liability	209	
Change in net OPEB liability	<u>301</u>	(6,614)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities		
		86,457
Change in net position of governmental activities		<u>\$ 224,023</u>

See accompanying notes to the basic financial statements

Statement of Net Position
Proprietary Funds
June 30, 2024
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds						Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Transit	Other	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 58,906	\$ 2,159	\$ 3,195	\$ 1,103	\$ 10,766	\$ 76,129	\$ 131,025
Cash and investments with trustee	-	-	-	-	14	14	1,177
Restricted cash and investments	-	-	-	-	1,313	1,313	-
Receivables, net							
Accounts receivable	1,690	1,438	100	767	715	4,710	1,004
Interest receivable	-	13	-	-	-	13	-
Loans	-	52	-	-	-	52	-
Contractual assessments receivable	-	-	1,082	-	-	1,082	-
Due from other funds	3,000	-	-	-	-	3,000	-
Inventories	-	-	-	1,091	93	1,184	-
Due from other governments	29	4,733	-	6,042	79	10,883	298
Lease receivable	38	365	-	-	-	403	-
Prepaid expenses and deposits	-	102	-	17	19	138	345
Total current assets	63,663	8,862	4,377	9,020	12,999	98,921	133,849
Noncurrent assets:							
Restricted cash and investments	9,786	3,369	-	908	-	14,063	-
Lease receivable	233	6,722	-	-	-	6,955	-
Deposits and other assets	175	542	23	-	-	740	-
Contractual assessments receivable	-	-	30,065	-	-	30,065	-
Nondepreciable	2,538	69,953	-	6,048	4,189	82,728	323
Depreciable, net	10,332	72,188	122	16,908	15,342	114,892	9,118
Total noncurrent assets	23,064	152,774	30,210	23,864	19,531	249,443	9,441
Total assets	86,727	161,636	34,587	32,884	32,530	348,364	143,290
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amounts related to pensions	344	426	-	125	1,242	2,137	113,584
Deferred amounts related to OPEB	299	263	-	62	374	998	49,810
Total deferred outflows of resources	643	689	-	187	1,616	3,135	163,394
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	644	1,474	644	3,067	789	6,618	7,965
Due to other funds	-	2,000	-	1,000	14	3,014	1,542
Due to other governments	-	-	-	2,520	90	2,610	-
Advances from grantors and third parties	-	-	-	908	-	908	-
Deposits from others	-	40	-	-	252	292	-
Interest payable	-	218	233	-	6	457	920
Compensated absences	99	109	-	33	381	622	409
Advances from other governments	-	-	-	-	26	26	-
Self-funded insurance	-	-	-	-	-	-	16,763
Lease liability	-	-	-	-	-	-	268
Bonds payable	-	-	1,839	-	-	1,839	23,935
Loans payable	-	507	-	-	-	507	-
Other liabilities	-	48	361	414	278	1,101	688
Total current liabilities	743	4,396	3,077	7,942	1,836	17,994	52,490

See accompanying notes to the basic financial statements

Statement of Net Position (continued)
Proprietary Funds
June 30, 2024
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds						Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Transit	Other	Total	Internal Service Funds
Noncurrent portion of long-term liabilities:							
Self-funded insurance	-	-	-	-	-	-	55,608
Compensated absences	44	72	-	56	-	172	194
Advances from other funds	-	-	100	-	29	129	661
Advances from other governments	-	-	-	-	836	836	-
Lease liability	-	-	-	-	-	-	496
Bonds payable	-	-	30,065	-	-	30,065	159,945
Loans payable	-	14,206	-	-	-	14,206	-
Landfill closure and postclosure costs	6,124	-	-	-	-	6,124	-
Net pension liabilities	604	791	-	229	1,761	3,385	204,073
Net OPEB liabilities	445	569	-	159	815	1,988	123,985
Total noncurrent liabilities	7,217	15,638	30,165	444	3,441	56,905	544,962
Total liabilities	7,960	20,034	33,242	8,386	5,277	74,899	597,452
DEFERRED INFLOWS OF RESOURCES							
Deferred amounts related to leases	259	6,892	-	-	-	7,151	-
Service concession arrangement	29,197	-	-	-	-	29,197	-
Deferred amounts related to pensions	61	96	-	43	179	379	23,538
Deferred amounts related to OPEB	41	87	-	71	464	663	13,057
Total deferred inflows of resources	29,558	7,075	-	114	643	37,390	36,595
NET POSITION							
Net investment in capital assets	12,870	127,426	122	22,956	18,670	182,044	8,677
Restricted for passenger facility charges	-	2,890	-	-	-	2,890	-
Restricted for customer facility charges	-	539	-	-	-	539	-
Restricted for contractual commitments	26,142	-	-	-	-	26,142	-
Restricted for junior livestock auction	-	-	-	-	126	126	-
Restricted for capital asset maintenance	-	-	-	-	86	86	-
Restricted for endowment	-	-	-	-	1,000	1,000	-
Restricted - other	-	52	-	-	245	297	-
Unrestricted	10,840	4,309	1,223	1,615	8,099	26,086	(336,040)
Total net position (deficit)	\$ 49,852	\$ 135,216	\$ 1,345	\$ 24,571	\$ 28,226	\$ 239,210	\$ (327,363)

See accompanying notes to the basic financial statements

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds						Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Transit	Other	Total	Internal Service Funds
Operating revenues:							
Charges for services	\$ 1,769	\$ 1,516	\$ 1,955	\$ 901	\$ 2,342	\$ 8,483	\$ 211,689
Rents and concessions	7,267	9,583	-	-	12,382	29,232	2,865
Interest income	-	-	96	-	-	96	-
Sales and miscellaneous	-	418	-	-	258	676	4,186
Total operating revenues	9,036	11,517	2,051	901	14,982	38,487	218,740
Services and supplies	5,291	6,416	1,107	19,562	8,508	40,884	38,208
Salaries and employee benefits	2,136	3,009	-	773	6,491	12,409	64,631
Claim expenses	-	-	-	-	-	-	24,631
Depreciation and amortization	980	3,866	29	2,916	1,217	9,008	2,747
Total operating expenses	8,407	13,291	1,136	23,251	16,216	62,301	130,217
Operating income (loss)	629	(1,774)	915	(22,350)	(1,234)	(23,814)	88,523
Investment income	3,485	117	176	235	195	4,208	5,990
Interest expense	-	(523)	(762)	-	(25)	(1,310)	(11,567)
Intergovernmental	46	-	-	18,733	-	18,779	-
Gain (loss) on disposal of capital assets	-	-	-	(43)	-	(43)	119
Miscellaneous	-	2,246	-	95	777	3,118	-
Total nonoperating revenues (expenses)	3,531	1,840	(586)	19,020	947	24,752	(5,458)
Income (loss) before capital contributions and transfers	4,160	66	329	(3,330)	(287)	938	83,065
Capital contributions	-	5,534	-	5,526	-	11,060	-
Transfers in	1,531	13	6	737	928	3,215	3,566
Transfers out	-	(13)	(5)	(14)	(2)	(34)	(174)
Change in net position	5,691	5,600	330	2,919	639	15,179	86,457
Net position (deficit), beginning of year	44,161	129,616	1,015	21,652	27,587	224,031	(413,820)
Net position (deficit), end of year	\$ 49,852	\$ 135,216	\$ 1,345	\$ 24,571	\$ 28,226	\$ 239,210	\$ (327,363)

See accompanying notes to the basic financial statements



Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds						Governmental
	Integrated Waste	Airport	Energy Independence Program	Transit	Other	Total	Internal Service Funds
Cash flows from operating activities:							
Received from customers	\$ 7,513	\$ 10,980	\$ 97	\$ 920	\$ 15,195	\$ 34,705	\$ -
Received from interfund services provided	-	-	-	-	-	-	170,097
Received from assessments	-	-	3,155	-	-	3,155	-
Received for interest	-	-	2,009	-	-	2,009	-
Payments for assessments	-	-	(7,368)	-	-	(7,368)	-
Payments to suppliers for goods and services	(4,954)	(7,920)	(223)	(19,266)	(8,622)	(40,985)	(62,898)
Payments to employees for services	(2,251)	(3,246)	(886)	(881)	(6,909)	(14,173)	(60,523)
Payments for interfund services used	(1,477)	(1,549)	-	-	-	(3,026)	-
Net cash provided (used) by operating activities	(1,169)	(1,735)	(3,216)	(19,227)	(336)	(25,683)	46,676
Cash flows from noncapital financing activities:							
Transfers in	-	14	-	-	928	\$ 942	3,566
Transfers out	-	-	-	-	(2)	(2)	(174)
Due from other funds	1,532	-	-	-	-	1,532	-
Due to other governments	-	-	-	-	-	-	(143)
Advances to other funds	-	-	-	-	(12)	(12)	(1,542)
Intergovernmental receipts	82	-	-	-	-	82	-
Proceeds from bonds	-	-	7,780	-	-	7,780	-
Principal paid on bonds	-	-	(3,065)	-	-	(3,065)	(21,065)
Interest paid on bonds	-	-	(736)	-	-	(736)	(11,665)
Proceeds from other governments	-	5,611	-	16,402	-	22,013	-
Contributions	-	-	-	-	648	648	-
Net cash provided (used) by noncapital financing activities	1,614	5,625	3,979	16,402	1,562	29,182	(31,023)
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(58)	(9,680)	-	(4,294)	(1,375)	\$ (15,407)	(2,012)
Principal paid on capital debt	-	(490)	-	-	-	(490)	-
Principal paid on loans	-	-	-	-	(3)	(3)	-
Due from other governments	-	-	-	-	(17)	(17)	-
Advances to other governments	-	-	-	-	(25)	(25)	-
Proceeds from grants and other contributions	-	6,709	-	-	-	6,709	-
Receipts from facility charges	-	2,192	-	-	-	2,192	-
Capital contributions	-	-	-	4,398	-	4,398	-
Interest paid	-	(531)	-	-	(28)	(559)	(9)
Net cash provided (used) by capital and related financing activities	(58)	(1,800)	-	104	(1,448)	(3,202)	(2,021)

See accompanying notes to the basic financial statements

Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds						Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Transit	Other	Total	Internal Service Funds
Cash flows from investing activities:							
Interest received on investments	3,486	118	176	234	324	\$ 4,338	5,990
Proceeds on loan receivable	1,000	50	-	-	-	1,050	-
Net cash provided by investing activities	4,486	168	176	234	324	5,388	5,990
Net increase (decrease) in cash and cash equivalents	4,873	2,258	939	(2,487)	102	5,685	19,622
Cash and cash equivalents, beginning of year	63,819	3,270	2,256	4,498	11,991	85,834	112,580
Cash and cash equivalents, end of year	\$ 68,692	\$ 5,528	\$ 3,195	\$ 2,011	\$ 12,093	\$ 91,519	\$ 132,202
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 627	\$ (1,775)	\$ 916	\$ (22,350)	\$ (1,234)	\$ (23,816)	\$ 88,523
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	980	3,866	29	2,916	1,217	\$ 9,008	2,747
Net pension activity	(38)	(109)	-	(39)	(153)	(339)	(12,371)
Net OPEB activity	(94)	(183)	-	(75)	(304)	(656)	(35,863)
Service concession arrangement	(1,429)	-	-	-	-	(1,429)	-
Changes in operating assets and liabilities:							
Decrease (increase) in:							
Accounts receivable	(113)	(515)	419	(3)	334	\$ 122	(409)
Inventories	-	-	-	(86)	(8)	(94)	-
Prepaid expenses and deposits	8	10	-	(3)	-	15	(16)
Other assets	38	(65)	(4,622)	-	(27)	(4,676)	-
Increase (decrease) in:							
Accounts payable	28	(3,049)	(12)	385	(138)	\$ (2,786)	1,584
Unearned revenue	-	(43)	54	22	-	33	-
Landfill closure and postclosure costs	(1,175)	-	-	-	-	(1,175)	-
Self-funded insurance	-	-	-	-	-	-	4,075
Compensated absences	17	55	-	6	40	118	33
Other liabilities	(18)	73	-	-	(63)	(8)	(1,627)
Net cash provided (used) by operating activities	\$ (1,169)	\$ (1,735)	\$ (3,216)	\$ (19,227)	\$ (336)	\$ (25,683)	\$ 46,676
Reconciliation of cash and cash equivalents to the Statement of Net Position:							
Cash and investments	\$ 58,906	\$ 2,159	\$ 3,195	\$ 1,103	\$ 10,766	\$ 76,129	131,025
Cash and investments with trustee	-	-	-	-	14	14	1,177
Restricted cash and investments, current	-	-	-	-	1,313	1,313	-
Restricted cash and investments, noncurrent	9,786	3,369	-	908	-	14,063	-
Total cash and cash equivalents	\$ 68,692	\$ 5,528	\$ 3,195	\$ 2,011	\$ 12,093	\$ 91,519	\$ 132,202
Noncash investing, capital and financing activities:							
Acquisition of capital assets through payables	\$ -	\$ 3,366	\$ -	\$ -	\$ -	\$ 3,366	\$ -
Right-to-use lease acquisitions	-	200	-	-	-	200	321

See accompanying notes to the basic financial statements

Fiduciary Funds
Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust	Private Purpose Trust	Custodial	
				External Investment Pool	Other
ASSETS					
Cash and investments	\$ 2,004	\$ 1,702,260	\$ 4,957	\$ 405,181	\$ 33,578
Restricted investments with trustee	183,538	7,211	748	1,467	155
Accounts receivable	95,825	5,871	769	41	106,613
Due from other governments	-	13,034	75	-	7,987
Investments at fair value:					
Cash and equivalents	3,352	-	-	-	-
Mutual funds	116,923	-	-	-	-
Corporate obligations	171,649	-	-	-	-
Government obligations	254,028	-	-	-	-
Equities	2,027,716	-	-	-	-
Other investments	1,087,398	-	-	-	-
Total investments	3,661,066	-	-	-	-
Other assets	1,831	82,110	412	-	929
Total assets	3,944,264	1,810,486	6,961	406,689	149,262
LIABILITIES					
Accounts payable and other liabilities	3,176	10,632	9	184	5,282
Due to other governments	-	9,104	41	92,591	11,725
Other liabilities	301,767	149,756	21,589	2,719	35,521
Total liabilities	304,943	169,492	21,639	95,494	52,528
NET POSITION (DEFICIT)					
Restricted for:					
Pension	3,481,146	-	-	-	-
Other postemployment benefits	158,175	-	-	-	-
Pool participants	-	1,640,994	-	311,195	-
Organizations and other governments	-	-	(14,678)	-	96,734
Total net position (deficit)	\$ 3,639,321	\$ 1,640,994	\$ (14,678)	\$ 311,195	\$ 96,734

See accompanying notes to the basic financial statements

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust	Private Purpose Trust	Custodial	
				External Investment Pool	Other
ADDITIONS					
Contributions:					
Employer contributions	\$ 118,564	\$ 2,427	\$ -	\$ -	\$ -
Employee contributions	52,595	-	-	-	-
OPEB employer contributions outside of trust	1,994	-	-	-	-
Total contributions	173,153	2,427	-	-	-
Investment earnings:					
Net increase (decrease) in fair value of investments	349,446	36,278	78	8,570	2,435
Interest, dividends, and other	85,989	53,510	730	12,912	2,477
Total investment earnings (loss)	435,435	89,788	808	21,482	4,912
Less investment costs:					
Investment expense	19,835	4,735	791	-	42
Net investment earnings (loss)	415,600	85,053	17	21,482	4,870
Property taxes	-	986,970	95,612	-	161,476
Other taxes	-	47,369	(12)	-	32,772
Licenses and fees	-	51,907	8	84	71,885
Miscellaneous	198	991,764	1,142	83,514	18,458
Total additions	588,951	2,165,490	96,767	105,080	289,461
DEDUCTIONS					
Benefits paid to participants or beneficiaries	232,889	-	-	-	-
Employer plan expense	3,003	-	-	-	-
OPEB employer expense outside of trust	1,994	-	-	-	-
Payments to other governments	-	2,176,314	94,200	110,572	272,980
Administrative expenses	5,209	2,268	3	52	2,475
Total deductions	243,095	2,178,582	94,203	110,624	275,455
Net increase (decrease) in fiduciary net position	345,856	(13,092)	2,564	(5,544)	14,006
Net position (deficit), beginning	3,293,465	1,654,086	(17,242)	316,739	82,728
Net position (deficit), ending	\$ 3,639,321	\$ 1,640,994	\$ (14,678)	\$ 311,195	\$ 96,734

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements June 30, 2024 (Dollars in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Sonoma (the County) conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of significant accounting policies:

(a) Definition of Reporting Entity

The County is a legal subdivision of the State of California and is charged with general governmental powers. The County's powers are exercised through a five-member Board of Supervisors (the Board), which, as the governing body of the County, is responsible for the legislative and executive control of the County. The County provides certain services to its citizens, such as road construction and maintenance, law enforcement and criminal justice, regional parks, growth management, and health and social services. In addition, the County administers various special districts governed by the Board (the Special Districts) and provides services to other special districts governed by independent local boards. The Special Districts are located within the boundaries of the County and were established under various sections of the California Government Code. The County provides fiscal agent and accounting services to many of these districts.

As required by generally accepted accounting principles (GAAP) in the United States of America, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations, and the Board is typically the governing body. Blended component units are presented in the same manner as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Blended Component Units

Sonoma County Fair and Exposition, Inc. (Fair) – The governing body of the Fair is the County's governing body. The County owns the Fairgrounds property and has a contract with the Fair for operations. All debts and obligations of the Fair are County debts and obligations. The Fair's financial statements use calendar year reporting. The financial statements are presented as of December 31, 2023, which is the latest period audited.

Sonoma County Securitization Corporation (Corporation) – The Corporation is a California non-profit public benefit corporation established by the County Board of Supervisors in October 2000. The Corporation is governed by a Board of 3 directors, 2 of which are officials of the County. Transactions related to the Corporation are included in these financial statements as a blended component unit of the County including a liability for Series 2020 Tobacco Settlement Asset-Backed Refunding Bonds. However, in the event of a decline in the tobacco settlement revenues that are used to repay the loan payable, including the default or bankruptcy of a participating cigarette manufacturer, resulting in a possible default on the loan payable, neither the California County Tobacco Securitization Agency, the County nor the Corporation have any liability to make up any such shortfall. Corporation transactions are reported within the Mandated Revenues Special Revenue Fund.

Sonoma County Agricultural Preservation and Open Space District (District) – The governing body of the District is the County's governing body. Voters approved a ¼% County levied sales tax to fund District activities and the County issued bonds secured by the sales tax revenues. The District regularly donates land to the County's Regional Parks and other entities for use by citizens.

Sonoma County Public Financing Authority (Authority) – The governing body of the Authority is the County's governing body. The Authority was formed for the purpose of assisting in financing public improvements of the County and other local agencies. The County has operational responsibility for the Authority and manages it in the same manner as its own departments. The Authority is combined with the Sonoma County Energy Independence Program (SCEIP) and reported as an enterprise fund.

Discretely Presented Component Units

The entities noted below are discretely presented component units. The County's Board of Supervisors has the ability to exert its will on these entities, however the County is not involved in management of these entities and does not have a financial burden/benefit relationship.

Sonoma County Water Agency (Sonoma Water) – Sonoma Water is governed by the Board of Supervisors of Sonoma County, who act ex-officio as the Board of Directors of Sonoma Water. The Board can enforce rules and regulations, and may employ and set compensation for all agents and employees of Sonoma Water. Sonoma Water is managed differently than other County departments and its employees are not civil service employees. Since the Board approves its annual budget, Sonoma Water is a component unit of the County. Sonoma Water's activities include the transportation of water and the generation of electrical power to eight prime contractors (the cities of Santa Rosa, Petaluma, Sonoma, Rohnert Park and Cotati, the Town of Windsor; and two water districts, Valley of the Moon and North Marin) along with the engineering, administration, and operational services of four sanitation zones. These activities are primarily financed from user fees.

Sonoma County Community Development Commission (Commission) – The Commission is governed by the Board of Commissioners who are appointed by the Board of Supervisors of Sonoma County, and the Commissioners hold oversight responsibilities over the Commission. As the Board has the ability to impose its will by approving its annual budget, the Commission is a component unit of the County. The Commission is not managed the same as other County departments and its employees are not civil service employees. The Commission, established as a separate public and corporate entity pursuant to Section 34110 of the Health and Safety Code, provides the community with the option of operating and governing its housing authority. The Board of Supervisors designated itself as the Board of Commissioners of the Community Development Commission, and Sonoma County Housing Authority, which is also the governing body of the Housing Successor Agency to the former Redevelopment Agency.

Sanitation Districts – Several sanitation districts managed by Sonoma Water are discretely presented component units of the County and include the following districts:

- ▲ Sonoma Valley County Sanitation District
- ▲ Russian River County Sanitation District
- ▲ South Park County Sanitation District
- ▲ Occidental County Sanitation District

Each District is governed by a Board of Directors, which is composed of either entirely or majoritively by the Board of Supervisors of Sonoma County. The exercise of this oversight responsibility (including ability to modify or approve fee or rate changes) causes the Districts to be an integral part of the County's reporting entity. Sonoma Water provides administrative, engineering, operational and maintenance services to the Districts. Each District is responsible for operating and maintaining local sanitation collection systems, pump stations and treatment plants. The Districts' activities are primarily financed through user fees.

Sonoma County Water and Wastewater Financing Authority (the Financing Authority) The governing body of the Financing Authority is the Board of Supervisors of the County, who act ex-officio as the Board of Directors and hold oversight and budgeting responsibilities. The exercise of this oversight responsibility, including approving its annual budget, causes the Financing Authority to be a component unit of the County. The Financing Authority is managed by Sonoma Water; however, it is not managed the same as other County departments and its employees are not civil service employees. The Financing Authority was created to issue conduit debt obligations for the express purpose of providing capital financing on behalf of Sonoma

Water and various sanitation districts located within the County. The Financing Authority and County have no obligation to remit to bondholders anything beyond what is received from the parties on whose behalf the debt was issued.

Component Units - Fiduciary in Nature

Sonoma County Employees' Retirement Association (SCERA) – was established January 1, 1946, under the provisions of the 1937 County Employees Retirement Act. SCERA is a cost-sharing, multiple-employer Defined Benefit Pension Plan (Plan) legally separate entity from the County. The County's Board of Supervisors appoints the voting majority of SCERA's board and is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. Accordingly, SCERA's December 31, 2023 financials are reported in the Fiduciary Funds of the basic financial statements. SCERA issues calendar year stand-alone financial statements which are available at <http://scetire.org/Financial/Financial-Reports/>.

Financial Statements for each of the discretely presented component units, except the Financing Authority, can be obtained from the Auditor-Controller-Treasurer-Tax Collector's Office at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403.

The Financing Authority does not issue separate financial statements as the disclosure of its conduit debt is included in the discrete component financial information presented herein for Sonoma Water, and the Sonoma Valley and South Park Sanitation Districts.

(b) Basis of Presentation

Government - Wide Financial Statements

The Statement of Net Position and Statement of Activities provide information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations are made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. 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 user fees and charges to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for enterprise and internal service funds include services and supplies, salaries and employee benefits, self-insurance claims and depreciation on capital assets. All expenses not falling within these categories are reported as non-operating expenses.

The County reports the following major governmental funds:

- ◆ The **General Fund** accounts for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. Revenues are primarily derived from taxes; licenses, permits and franchise fees; fines, forfeitures and penalties; use of money and property; intergovernmental revenues; charges for services; and other revenues. Expenditures are primarily expended for functions of general government, public protection, public ways and facilities, public assistance, education, recreation and cultural services, capital outlay, and debt service.
- ◆ The **Human Services Special Revenue Fund** accounts for proceeds restricted for the activities of the County's various state and federally funded public assistance programs.
- ◆ The **Health and Sanitation Special Revenue Fund** accounts for proceeds restricted for public health and mental health programs, which are primarily funded by state and federal agencies.
- ◆ The **Open Space Special Tax Account Special Revenue Fund** accounts for revenues received from County levied sales tax Measure F which restricts funds to certain activities of the Sonoma County Agricultural Preservation and Open Space District.

The County reports the following major proprietary funds:

- ◆ The **Integrated Waste Enterprise Fund** accounts for Sonoma County integrated waste management activities throughout the County and is administered as a division of the Sonoma County Public Infrastructure. Activities include management of one sanitary landfill and five transfer stations; regulation of two franchised commercial refuse haulers; and development, administration, and implementation of the County Integrated Waste Management Plan.
- ◆ The **Airport Enterprise Fund** accounts for activities related to the operations of the Charles M. Schultz Sonoma County Airport (Airport). Airport operations include commercial passenger services as well as air cargo, private and corporate flights, military, search and rescue, firefighting, and law enforcement services.
- ◆ The **Sonoma County Energy Independence Program Enterprise Fund (SCEIP or Energy Independence Program)** accounts for activities related to the passage of California Assembly Bill 811 (AB 811) in July 2008. Activities include financing to commercial and residential property owners for energy and water efficiency improvements on existing buildings.
- ◆ The **Transit Enterprise Fund** accounts for activities related to the provision of fixed-route transit and ADA paratransit services operating throughout Sonoma County. Operation of the system is largely funded through Transportation Development Act contributions from local governments. The route network consists of a mix of local, intercity and SMART connector routes.

The County reports the following additional fund types:

- ◆ **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other governmental units on a cost reimbursement basis. Activities include the County's self-insurance programs, heavy equipment replacement, the County's ERP System, the County's employee retirement program, and the County's other postemployment benefits (OPEB) program.
- ◆ **Pension (and Other Employee Benefit) Trust Funds** accounts for SCERA, a legally separate fiduciary in nature component unit of the County, and for assets held in trust by the Public Agency Retirement Services (PARS) for future postemployment healthcare plan benefits.
- ◆ **Investment Trust Funds** account for the assets of legally separate entities, which invest in the County Treasurer's investment pool. These entities include school and community college districts and other independent special districts governed by local boards. These funds represent the assets, primarily cash and investments, held in trust for these entities.
- ◆ **Private-Purpose Trust Fund** established by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Sonoma County Redevelopment Successor Agency.
- ◆ **Custodial Funds** reports fiduciary funds that are not required to be reported in Investment Trusts, OPEB, Pension or Private Purpose Trust funds. These include Law Enforcement, Unapportioned Tax Collections and others.

(c) Basis of Accounting

The government-wide, proprietary funds and fiduciary trust funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes are accrued when the receipt occurs within sixty days of the end of the fiscal year. Sales and other taxes, interest, certain state and federal grants and charges for services are accrued when the receipt occurs within three hundred sixty-five days of the end of the fiscal year so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Expenditures are generally 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of general long-term debt, long term asset leases, financed purchases, and the sale of capital assets are reported as other financing sources.

Custodial funds apply the accrual basis of accounting using the economic resources measurement focus.

(d) Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

(e) Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and equity in the County Treasurer's investment pool, to be cash equivalents.

(f) Investments

In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and External Investment Pools*" and GASB Statement No. 72, "*Fair Value Measurement and Application*", investments are stated at fair value in the statement of net position and the corresponding changes in the fair value of investments are recognized in the year in which the change occurred. The County follows the practice of pooling cash and investments of all funds with the County Treasurer except for certain restricted funds held by outside custodians, funds held by a trustee, or funds in dedicated investments for the benefit of an individual pool participant.

The fair value of investments is determined annually. Interest earned on pooled investments is allocated quarterly to the appropriate funds based on the respective average daily balance for that quarter. At the Board's direction, the investment income related to certain County funds is allocated to the General Fund.

(g) Restricted Cash and Investments

Restricted assets in the governmental funds represent cash and investments that are restricted for debt service pursuant to various debt covenants. Restricted assets in the enterprise funds primarily represent cash and investments that are restricted for debt service pursuant to various debt covenants and customer deposits.

(h) Inventories

Inventories for governmental and proprietary funds consist of materials and supplies held for consumption, valued at cost, using the first-in, first-out method. Governmental funds inventory costs are recorded as expenditures when consumed, rather than when purchased. Inventories reported in governmental funds are offset by nonspendable fund balance, which indicates that inventories do not represent expendable available financial resources.

(i) Assets Held for Sale

Assets held for sale, are valued at the lower of cost or market for both governmental and proprietary funds, consist of real estate assets no longer in operational use and are intended to be sold on the open market.

(j) Prepaid Items/Expenses and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. Prepaid expenses are recorded when consumed rather than when purchased. In the fund financial statements, prepaid items/expenses and deposits are offset by corresponding nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

(k) Capital Assets

Capital assets include land, land improvements, buildings and improvements, machinery and equipment, infrastructure (e.g. roads, bridges, sidewalks), and intangible assets (e.g. land easements, computer software, right-to-use assets). Assets purchased or constructed are reported at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated acquisition value on the date of donation.

Normal maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital outlays are recorded as expenditures in the governmental funds and as additions to capital assets in the proprietary and fiduciary funds and the government-wide financial statements, in accordance with the County's capitalization policy.

Capital assets used in operations are depreciated or amortized using the straight-line method over the estimated useful life in the government-wide statements, proprietary funds, and fiduciary trust funds statements.

The capitalization thresholds and estimated useful lives for capital assets are as follows:

	Capitalization Threshold	Estimated Useful Life
Land and permanent easements	\$-	N/A
Land improvements	100	15 to 50 years
Buildings and improvements:		
Buildings	100	50 years
Service and safety systems	100	20 years
Building improvements	100	15 years
Machinery and equipment:		
Equipment, construction and grounds equipment	5	5 to 15 years
Vehicles	15	5 to 15 years
Furniture	25	5 years
Infrastructure:		
Pavement	100	25 years
Bridges	100	50 years
Other small systems	100	25 years
Intangible assets:		
Purchased canned software	100	3 years
Internally created software	100	10 years
Right-to-use subscription IT asset	100	Shorter of subscription term or useful life of underlying IT asset
Right-to-use lease asset	100	Shorter of lease term or useful life of asset
Leasehold improvements	25	
Other capital assets:		
Works of art or historical treasures	5	Varies
Library books and equipment	5	Varies
Construction in progress / work in progress	Expected to exceed capitalization threshold	N/A

(l) Deferred Outflows and Inflows of Resources

The County recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets by the government applicable to a future reporting period.

(m) Leases

The County is a lessee for noncancellable leases of buildings and land. The County recognizes a lease liability and right-to-use asset with an initial individual value of over \$100.

The County measures the lease liability at the commencement of the lease using the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion as lease payments are made. The right-to-use asset is initially recorded at the initial amount of the lease liability, adjusted for payments made on or before the commencement date, plus any initial direct costs. The right-to-use assets are amortized on a straight-line basis over the shorter of the lease term or their useful lives.

Key estimates related to leases include the rate used to discount expected lease payments, lease terms, and lease payments.

- ◆ **Discount rate** – The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is unavailable, the County uses an estimated incremental borrowing rate.
- ◆ **Lease term** – The lease term includes all noncancellable periods of the lease.

- ◆ **Lease payments** – Lease payments for measuring the lease liability include all fixed payments and purchase option prices when the County is reasonably certain to exercise the option.

The County monitors changes in circumstances that would require a remeasurement of its leases and remeasures lease assets and liabilities if changes occur that are expected to significantly affect the amount of the lease liability.

The County is a lessor for noncancellable leases of buildings and land. The County recognizes an associated lease receivable and deferred inflow of resources.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. The lease receivable is reduced by the principal portion as lease payments are received. The deferred inflow of resources is initially measured as the amount of the lease receivable, adjusted for any lease payments received on or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates related to leases include the rate used to discount expected lease payments, lease terms, and lease receipts.

- ◆ **Discount rate** – The County uses the estimated incremental borrowing rate as the discount rate for leases.
- ◆ **Lease term** – The lease term includes all noncancellable periods of the lease.
- ◆ **Lease receipts** – Lease receipts used in the measurement of the lease receivable include all fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases and remeasures lease receivables and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

(n) Subscription-based Information Technology Arrangements

A subscription-based information technology arrangement (SBITA) is defined as a contractual agreement that conveys control of the right-to-use another entity's IT asset, alone, or in conjunction with a tangible capital asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The County recognizes a subscription liability and right-to-use software asset with an initial individual value of over \$100.

The County measures the subscription liability at the present value of all payments expected to be made during the subscription term. The subscription liability is reduced by the principal portion as the subscription payments are made. The right-to-use software asset is measured as the amount of the initial measurement of the subscription liability plus any payments made to the vendor at commencement of the subscription term and any capitalizable initial implementation costs. The right-to-use software assets are amortized on a straight-line basis over the shorter of the subscription term or useful life of the IT asset.

Key estimates related to subscriptions include the rate used to discount expected subscription payments, subscription terms, and subscription payments.

- ◆ **Discount rate** – The County uses an estimated incremental borrowing rate as the discount rate.
- ◆ **Subscription term** – The subscription term includes all noncancellable periods of the subscription.
- ◆ **Subscription payments** – Subscription payments for measuring the subscription liability include all fixed payments and purchase option prices when the County is reasonably certain to exercise the option.

(o) Long-term Obligations

In the government-wide, proprietary and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the respective statements of net position.

In governmental fund types, bond and certificate of participation premiums, discounts and issuance costs are recognized in the period issued. In the government-wide statement of net position, proprietary and fiduciary trust statement of net position premiums and discounts are deferred and amortized over the terms of the issuance using the straight-line method, which approximates the effective interest method.

(p) Net Position/Fund Balance

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets (net of related debt), restricted or unrestricted.

- ◆ **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation/amortization, reduced by outstanding debt balances attributable to the acquisition, construction, or improvement of those assets. Includes deferred outflows/inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- ◆ **Restricted** – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- ◆ **Unrestricted** – Net position not restricted for any project or other purpose.

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- ◆ **Nonspendable Fund Balance** – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.
- ◆ **Restricted Fund Balance** – Amounts with constraints placed on use by creditors, grantors, contributors or laws or other governments regulations; or restrictions imposed by law through constitutional provisions or enabling legislation.
- ◆ **Committed Fund Balance** – Amounts used for specific purposes pursuant to constraints imposed by ordinance or resolution of the County's highest decision-making authority (Board of Supervisors) and that remain binding unless removed by an equally binding action.
- ◆ **Assigned Fund Balance** – Amounts constrained by the County's intent to be used for specific purposes. The intent can be established by the County's highest level of decision-making authority (Board of Supervisors) or by a body or an official to which the Board has delegated the authority (i.e., County Administrator). The Board has delegated the authority to assign fund balance to the County Administrator.
- ◆ **Unassigned Fund Balance** – The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds the unassigned classification is used only if the expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes (i.e., negative fund balance).

The Board of Supervisors establishes, modifies or rescinds fund balance commitments by passage of an ordinance or resolution, each resulting in equally binding constraints, and through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned and unassigned resources as they are needed.

The Board will maintain a minimum level of unassigned General Fund Reserve balance equal to 1/12 (8.3%) or 1 month of annual General Fund revenues. Consistent with best practice recommendations from the Government Finance Officers Association of the United States and Canada, the County will strive to maintain a total unassigned General Fund Reserve balance equal to 1/6 or 2 months of annual General Fund operating revenues.

(q) Property Tax Levy, Collection and Maximum Rates

Property taxes, including tax rates, are regulated by the State and are administered locally by the County. The County is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County.

Secured property taxes are due in two equal installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Unsecured property taxes are due in a single installment due July 31 and are delinquent after August 31. Unsecured property taxes added to the unsecured roll after July 31 are delinquent

after the last day of the month succeeding the month of enrollment. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of Article XIII of the California Constitution (commonly referred to as Proposition 13), beginning with fiscal year 1978/1979, general property taxes are based either on a flat one percent rate applied to the 1975/1976 full value of the property or on one percent of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of two percent per year.

Net taxable valuation for the year ended June 30, 2024, was approximately \$119 billion, which includes secured, unsecured, Home Owner Property Tax Relief, and unitary values. The tax rate was \$1 dollar per \$100 dollar of valuation (\$0.35 for the County and Special Districts, \$0.48 for schools, \$0.09 for cities, and \$0.08 for redevelopment activities within the County of Sonoma). On February 1, 2012, the State of California dissolved all redevelopment agencies (see Note 14 – Successor Agency Private Purpose Trust Fund). Taxes are collected by the County and apportioned to each taxing agency in accordance with state law. In addition, special assessments are levied to provide for debt service on general obligations that were voter-approved. Delinquencies for the year amounted to approximately 2.1% of the current secured and unsecured property tax revenue assessed.

In fiscal year 1993-94, the County adopted the Alternate Method of Property Tax Allocation (commonly referred to as the Teeter Plan). Under the Teeter Plan, the County Auditor-Controller-Treasurer-Tax Collector, an elected official, is authorized to pay 100 percent of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied and retains all penalties and interest upon collection of the applicable delinquent taxes.

(r) Compensated Absences

County employees are entitled to certain compensated absences based on length of employment and position held. Vacation pay is subject to certain maximum accumulations and is payable upon termination. Sick leave may be accumulated without limitation. An average of the most recent three years cost to convert sick leave to service credits for employees separating due to retirement from the County is included in the compensated absence liability.

(s) Pension

The County recognizes a net pension asset or liability, representing the County's proportionate share of the excess or deficiency the fiduciary net position of the pension plan as compared to the total pension liability over the fiduciary net position of the pension plan as stated in the actuarial report provided by the Sonoma County Employees' Retirement Association (SCERA). Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows or outflows of resources. Benefit contributions are recognized when due and payable. Investments are reported at fair value.

(t) Other Postemployment Benefits

The County recognizes a net other postemployment benefit (OPEB) liability, which represents the County's excess of the total OPEB liability over the fiduciary net position of the OPEB plan as stated in the actuarial report completed by an external actuarial firm. Changes in the net OPEB liability are recorded, in the period incurred, as OPEB expense or as deferred inflows or outflows of resources. Benefit contributions are recognized when due and payable. Investments are reported at fair value.

(u) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(v) Implementation of Governmental Accounting Standards Board (GASB) Statements

The following GASB statements were implemented for the fiscal year ending June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*: Provides guidance on accounting and financial reporting for accounting changes and error corrections. The County implemented this statement without any impact to the County.

(w) Future GASB Pronouncements

The County has not determined the effect on the financial statements of the following issued GASB statements:

GASB Statement No. 101, *Compensated Absences*: Provides guidance on accounting and financial reporting for Compensated Absences. *Effective FY 2024-25*.

GASB Statement No. 102, *Certain Risk Disclosures*: The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. *Effective FY 2024-25*.

GASB Statement No. 103, *Financial Reporting Model Improvements*: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. *Effective FY 2025-26*.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*: The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. *Effective FY 2025-26*.

NOTE 2 – CASH AND INVESTMENTS**(a) Financial Statement Presentation**

Total cash and investments at June 30, 2024 were presented on the County's financial statements as follows:

	Unrestricted	Restricted	Total
Governmental activities	\$ 1,151,949	\$ 7,599	\$ 1,159,548
Business-type activities	76,129	15,390	91,519
Primary government	1,228,078	22,989	1,251,067
Component units	291,268	44,217	335,485
Total government-wide	1,519,346	67,206	1,586,552

Fiduciary funds:

Pension (and Other Employee Benefit) trust funds	3,663,070	183,538	3,846,608
Investment trust funds	1,702,260	7,211	1,709,471
Private-purpose trust funds	4,957	748	5,705
Custodial-external investment pool	405,181	1,467	406,648
Custodial-other custodial funds	33,578	155	33,733
Total cash and investments	\$ 7,328,392	\$ 260,325	\$ 7,588,717

(b) Investment Guidelines and Investment Policy

The County's cash and investments are invested by the County Treasurer in accordance with investment policy guidelines and California Government Code. The objectives of the policy are, in order of priority, safety of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity. The Treasury Oversight Committee requires an annual audit to ensure the County's Investment Portfolio is in compliance with its policy and California Government Code Section 53601.

The investment policy restricts the maximum investment the Sonoma County Pooled Investment Fund may invest in one issuer for the following investment types:

- ◆ Commercial Paper – 10%
- ◆ Mutual Funds – 10%
- ◆ Money Market Mutual Funds – 10%

Investments held with trustees under bond indentures or other restrictive agreements are invested by the County Treasurer, and reviewed and approved by the Board of Supervisors.

A copy of the County investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403 or can be found online at www.Sonoma-County.org on the Auditor-Controller-Treasurer-Tax Collector's page.

The table on the following page identifies the investment types that are authorized and references the respective California Government Code. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the County, rather than the general provisions of the County's investment policy.

Investment Type	Maximum Maturity	Maximum % of Pool	Rating
U.S Treasury and Agency Securities (§53601 (b & f))	5 years	100	N/A
Obligations Issued or Unconditionally Guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank (§53601 (q))	5 years	30	AA
Bonds and Notes issued by the State of California or California local agencies (§53601 (a, c & e))	5 years	100	N/A
Bonds and Notes issued by any other State of the United States, including those issued by said State's agencies, departments, boards or authorities (§53601(d))	5 years	100	N/A
Commercial Paper (§53601 (h) and (§53635 (a))	270 days	40	A-1/F-1/P-1
Negotiable Certificates of Deposit (§53601 (i))	5 years	30	N/A
Repurchase Agreements (§53601 (j))	1 year	100	N/A
Reverse Repurchase Agreements and Securities Lending Agreements (§53601 (j))	92 days	20	N/A
Medium Term Corporate Notes (§53601 (k))	5 years	30	A
Mutual Funds & Money Market Mutual Funds (§53601 (l))	N/A	20	Aaa & AAAM
Mortgage Pass-Through Securities, Collateralized Mortgage Obligations, and Asset Backed Securities (§53601(o))	5 years	20	AA
Joint Powers Agreement (§53601 (p) and (§6509.7))	N/A	20	AA
		As limited by	
Local Agency Investment Fund (LAIF) (§16429.1)	N/A	LAIF	N/A
Collateralized Time Deposits (§53649et seq.)	5 years	N/A	N/A

(c) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In a rising interest rate market, the fair value of investments could decline below original cost. Conversely, in a declining interest rate market, the fair value of investments will generally increase. The County investment policy does not contain requirements that would limit the exposure to interest rate risk. The County manages its exposure to interest rate risk 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 over time as necessary to provide the cash flow and liquidity needed for operations, which reduces the chances of the County from having to sell investments below original cost. Of the County's \$3.7 billion portfolio as of June 30, 2024, 35% of the investments have a maturity of one year or less. Of the remainder less than 1%, all of which are SCEIP bonds, have a maturity of more than 5 years.

(d) 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 the failure of the counterparty 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 County'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 and securities lending transactions:

- ◆ 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. 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 the County's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.
- ◆ The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

(e) 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. It is the County's policy to purchase investments meeting ratings requirements established by the California Government Code.

(f) Concentration of Credit Risk

The County investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds or external investment pools) that represent 5% or more of total County pooled investments are as follows:

Issuer	Investment Type	Amount	Percentage Holdings
Federal Home Loan Mortgage Corp.	Federal Agency Security	\$ 421,100	11.34%
Federal Home Loan Bank	Federal Agency Security	419,456	11.30
Federal Farm Credit Bank	Federal Agency Security	234,968	6.33
Federal National Mortgage Association	Federal Agency Security	196,649	5.30

(g) Treasury Pool

The Treasury Pool includes amounts held for various school districts, whose participation in the Treasury Pool is mandated by State code. Cash on deposit with the Treasury Pool at June 30, 2024 is stated at fair value. The Treasury Pool's fair value calculations at fiscal year-end are based on quoted market values provided by the County's custodial bank. The fair value adjustment decreased the Treasury Pool's investment income and carrying value by \$52,685 at June 30, 2024. Involuntary participants of the County's investment pool totaled \$1,702,260 at June 30, 2024. Investments held in the Treasury Pool are summarized as follows:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range
U.S. Agency Securities	1,300,787	1,272,173	0.36-5.62%	7/30/24 - 4/23/29
U.S. Treasury Notes	108,153	107,759	2-3.5	2/15/25 - 9/15/25
Supranational Obligations	329,884	322,634	0.34-5.75	7/1/24 - 3/5/29
Other Government Obligations	362,607	351,900	0.279-5.964	7/1/24 - 3/1/28
Commerical Paper	170,507	170,458	5.02-5.63	7/9/24 - 1/6/25
Certificates of Deposit	421,000	420,990	5.1-6.08	7/2/24 - 7/8/25
Corporate and Medium Term Notes	955,699	950,038	0.45-7.8	7/1/24 - 5/30/29
Money Market Mutual Funds	11,046	11,046	3.40	1 day
CalTRUST	3,000	3,000	5.41	1 day
CAMP	103,000	103,000	5.44	1 day
Totals	\$ 3,765,683	\$ 3,712,998		

(h) Condensed Pool Statements

The Treasury Pool includes investments with a fair value of \$3,712,998 and deposits of \$151,511. The following represents a condensed statement of net position and changes in net position for the Treasury Pool as of and for the fiscal year ended June 30, 2024:

Statement of Net Position

Cash and investments	\$ 3,864,509
Less: Cash, deposits, and outstanding warrants	(187,068)
Net position held for pool participants	3,677,441
Equity of internal participants	1,527,589
Equity of external pool participants	2,149,852
Net position held for pool participants	\$ 3,677,441

Statement of Changes in Net Position

Net position at July 1, 2023	\$ 3,607,793
Net change in pooled cash and investments	69,648
Net position held for pool participants at June 30, 2024	\$ 3,677,441

(i) Investment Credit Ratings and Maturity

As of June 30, 2024, the County's investments and their credit ratings and maturities are as follows:

	Credit Rating (Moody's / S & P)	Maturity					Fair Value
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Non-pooled investments:							
Cash and cash equivalents	Not rated	\$ 8,093	\$ -	\$ -	\$ -	\$ -	\$ 8,093
Money market mutual funds	AAAm	6,079	-	-	-	-	6,079
OPEB trust investments:							
Cash and cash equivalents	Not rated	3,352	-	-	-	-	3,352
Mutual funds	Not rated	116,923	-	-	-	-	116,923
Corporate obligations	A2/A	127	288	126	4,943	7,910	13,394
Government obligations	A1/A+	-	-	-	4,440	20,066	24,506
Total investments held by fiscal agents		\$ 134,574	\$ 288	\$ 126	\$ 9,383	\$ 27,976	\$ 172,347
Investments managed by County Treasurer:							
U.S. Agency Securities:							
Federal Farm Credit Bank	Aaa/AAA	-	-	3,888	231,080	-	234,968
Federal Home Loan Bank	Aaa/AAA	-	-	12,415	407,041	-	419,456
Federal Home Loan Mortgage Corp.	Aaa/AAA	-	7,904	42,706	370,490	-	421,100
Federal National Mortgage Association	Aaa/AAA	3,237	-	10,633	182,779	-	196,649
Subtotal U. S. Agency Securities		3,237	7,904	69,642	1,191,390	-	1,272,173
U.S. Treasury	Aaa/AA+	-	-	48,959	58,800	-	107,759
Supranational obligations	Aaa/AAA	36,412	75,367	13,964	196,891	-	322,634
Other government obligations	Aa2/AA	3,550	79,252	80,398	171,648	17,052	351,900
Commercial Paper	A1/A+	72,869	78,157	19,432	-	-	170,458
Certificates of deposit	A1/A+	103,027	154,071	93,867	70,025	-	420,990
Corporate and medium term notes	Aa3/AA-	32,709	14,064	213,385	689,880	-	950,038
Money market mutual funds	AAAm	11,046	-	-	-	-	11,046
Joint Powers Authority Pool:							
CalTRUST	Aaa/AAA	3,000	-	-	-	-	3,000
California Asset Management Program	Aaa/AAA	103,000	-	-	-	-	103,000
Total investments managed by County Treasurer		\$ 368,850	\$ 408,815	\$ 539,647	\$ 2,378,634	\$ 17,052	3,712,998
Cash and deposits	N/A						24,729
Less outstanding warrants	N/A						(60,286)
Subtotal cash and investments managed by County Treasurer (Pooled)							3,677,441
Cash and deposits - other							187,068
Subtotal cash and investments managed by County Treasurer							3,864,509
Discrete Component Units							
Sonoma Water							
Non-pooled investments:							
Money market mutual funds	AAAm	\$ 20,802	\$ -	\$ -	\$ -	\$ -	20,802
U.S. Treasury Notes	N/A	2,261	-	-	-	-	2,261
SCEIP bonds	N/A	599	657	2,250	11,207	-	14,713
Total investments held by bond trustees		\$ 23,662	\$ 657	\$ 2,250	\$ 11,207	\$ -	\$ 37,776
Sonoma Valley County Sanitation District							
Non-pooled investments:							
Money market mutual funds	AAAm	\$ 3	\$ -	\$ -	\$ -	\$ -	3
Fiduciary Component Units							
SCERA non-pooled investments:							\$ 3,686,429
Total cash and investments							\$ 7,588,717

(j) Joint Powers Authorities

The County is a voluntary participant in two Joint Powers Authorities (JPAs), the California Asset Management Program (CAMP) and the Investment Trust of California (CalTRUST), which fall under California Government Code 53601(p). These JPAs are each directed by a Board of Trustees made up of experienced investment officers, local government finance directors, and treasurers of the public agency members. The value of pool shares in the three JPAs that may be withdrawn is determined on an amortized cost basis, which is the same as the fair value of the County's portion in the pool. As of June 30, 2024 the County's total investment in JPAs was \$106,000.

(k) Tobacco Endowment

In accordance with California Government Code Section 53601, any investment with a maturity in excess of five years requires the express authorization of the County's Board of Supervisors. In 2002, the County established the Sonoma County Tobacco Endowment Fund (Endowment) for the purpose of funding future capital improvements. The Endowment was funded from a portion of the proceeds of the Series 2002B Tobacco Securitization Bonds. Pursuant to a resolution by the Board of Supervisors on October 24, 2000, the County Treasurer was authorized to purchase tax-exempt municipal obligations of any state or local government with a final maturity no later than the final maturity of the Bonds in 2030. As of June 30, 2024, the County's investment in the Tobacco Endowment was invested in money market mutual funds totaling \$11,046.

(l) Sonoma County Energy Independence Program (SCEIP)

In accordance with California Government Code Section 53601, any investment with a maturity in excess of five years requires the express authorization of the County's Board of Supervisors. On March 24, 2009, the Board of Supervisors authorized the creation of the Sonoma County Energy Independence Program (SCEIP) enabling Sonoma County property owners to finance energy conservation and generation improvements through voluntary contractual property assessments. State Assembly Bill 811 is the authorizing legislation for SCEIP and was signed into law the fall of 2008. To finance the program, on April 21, 2009, the Board of Supervisors authorized the Sonoma County Treasury Pooled Investment Fund to purchase up to \$60,000 of SCEIP bonds issued by the Sonoma County Public Financing Authority with maturities of 10 and 20 years. As of June 30, 2024, the County's investment in SCEIP bonds, included in other governmental obligations, was \$17,191.

(m) Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The three levels of the hierarchy are based on the valuation inputs used to measure the fair value of the asset and are described as follows:

- ◆ Level 1: Investments reflect prices quoted in active markets for identical assets.
- ◆ Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- ◆ Level 3: Investments reflect prices based on unobservable inputs which reflect the County's own assumptions about the inputs market participants would use in pricing the asset (including assumptions about risk). Unobservable inputs are developed based on a collateralized cost basis.

The County's investments measured at fair value as of June 30, 2024 are as follows:

Investments	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Agency securities	\$ 1,272,173	\$ -	\$ 1,272,173	\$ -
U.S. Treasury Notes	107,759	107,759	-	-
Supranational obligations	322,634	-	322,634	-
Other government obligations	351,900	-	334,709	17,191
Commercial Paper	170,458	-	170,458	-
Certificates of deposit	420,990	-	420,990	-
Corporate and medium term notes	950,038	-	950,038	-
Total investments measured at fair value	3,595,952	\$ 107,759	\$ 3,471,002	\$ 17,191
Investments not subject to fair value hierarchy:				
Money market mutual funds	11,046			
CalTRUST	3,000			
California Asset Management Program	103,000			
Total pooled and managed investments	\$ 3,712,998			
Discrete Component Units				
Sonoma Water				
U.S. Treasury Notes	\$ 2,261	\$ 2,261	\$ -	\$ -
SCEIP bonds	14,713	-	-	14,713
Total investments measured at fair value	16,974	\$ 2,261	\$ -	\$ 14,713
Investments not subject to fair value hierarchy:				
Money market mutual funds	20,802			
Sonoma Valley County Sanitation District				
Money market mutual funds	3			
Total investments	\$ 37,779			
Fiduciary Component Unit				
SCERA				
Non-pooled investments	\$ 3,686,429			

(n) SCERA's ACFR - Investment and Related Notes

Pages 77 through 84 below are an excerpt from SCERA's ACFR Cash and Short-Term Investments, Deposits and Investments, Securities Lending, Summary of Investments, and Fair Value Measurement Notes for the year ended December 31, 2023, and all references in the excerpt are to SCERA's ACFR at <https://scretire.org/Microsites/SCERA/Documents/Financial/2023%20ACFR.pdf>.

CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments consist of short-term investments with fiscal agents as well as deposits held in a pooled account with the County of Sonoma. All participants in the pool share earnings and losses. Short-term investments consist of cash held in money market accounts and securities readily convertible to cash. All cash, deposits and short-term investments are carried at cost, which approximates fair value. The Sonoma County Treasury Oversight Committee has regulatory oversight for all monies deposited into the Sonoma County Treasury Pool. Such amounts are invested in accordance with investment policy guidelines established by the County Treasurer and reviewed by the County Board of Supervisors. The objectives of the policy are, in order of priority, safety of principal, liquidity and yield. Similarly, the short-term investment fund held by State Street Bank (which is a liquidity fund investing in short-term investment securities) is carried at cost, which approximates fair value.

The following chart is a summary of cash and short-term investments, as of December 31, 2023.

Cash and Short-Term Investment Funds (held by) (Dollars in Thousands)	
2023	
County Treasury	\$ 3,919
Custodian Bank	<u>88,423</u>
Total	<u>\$ 92,342</u>

The vast majority of the above cash is overlaid with stock and bond futures contracts so there is little to no economic exposure to cash.

DEPOSITS AND INVESTMENTS

State Street Bank serves as custodian of SCERA's investments. SCERA's asset classes include US Equity, Non-US Equity, Global Equity, Fixed Income, Real Assets, and Opportunistic. Any class may be held in direct form, pooled form, or both. SCERA ended 2023 with 17 investment managers, managing 21 individual portfolios.

Investments on December 31, 2023, consist of the following (excluding collateral held for securities lending as described in Note F):

Investments at Fair Value (Dollars in Thousands)	
2023	
Fixed Income	\$ 550,855
Equities	2,027,716
Real Assets	899,250
Opportunistic	<u>25,070</u>
Total Investments	<u>\$ 3,502,891</u>

DEPOSITS AND INVESTMENTS (continued)

The Board has established a policy for investing, specifying the following target asset strategy allocations with a minimum and maximum range for each of these asset classes. Asset targets are applied at the investment manager level, not individual Plan holdings reported in Note H.

Asset Class	Min	Target	Max
Core Plus Fixed Income	10.0%	12.0%	14.0%
Alternative Fixed Income	2.0%	3.0%	4.0%
Real Assets	21.0%	26.0%	31.0%
Domestic Equities	19.5%	21.5%	23.5%
Non-US Equities	19.5%	21.5%	23.5%
Global Equities	14.0%	16.0%	18.0%
Opportunistic	0.0%	0.0%	6.0%
Total		100%	

The asset strategy allocation is incorporated into SCERA's Investment Policy Statement, which helps guide the manner in which SCERA invests. The Board has adopted a long-term investment horizon such that the likelihood and durations of investment losses are carefully weighed against the long-term potential for appreciation of assets. The assets of SCERA will be invested in a manner that provides the safeguards and diversity to which a prudent investor would adhere. No more than 5%, or the benchmark weight plus 2.5%, whichever is higher, of any one manager's portfolio shall be invested in the securities of any one issuing corporation at cost. Investments in any corporation should not exceed 10% of the outstanding shares of the corporation. Actual asset strategy allocation results are reported in the Investment Section (page 61).

The Board's investment policies and guidelines permit investment in numerous specified asset classes to take advantage of the non-correlated economic behavior of diverse asset classes. The risk to be assumed must be considered appropriate for the return anticipated and consistent with the total diversification of the System. The result is a well-diversified portfolio.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party. SCERA investment securities are not exposed to custodial credit risk since all securities are registered in the System's name and held by the System's custodial bank.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Any cash associated with the System's investment portfolios not invested at the end of a day are temporarily swept overnight to State Street Bank's short-term investment fund.

That portion of the System's cash held by the County of Sonoma as part of the County's treasury pool totaled \$3.9 million as of December 31, 2023. SCERA's investments in the treasury pool are held in the name of the County and are not specifically identifiable.

Disclosure of the legal and contractual provisions of the County's Investment Policy and carrying amounts by type of investments may be found in the notes to the County's separate Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

DEPOSITS AND INVESTMENTS (continued)**Credit and Interest Rate Risk**

Credit risk associated with SCERA's fixed income securities is identified by their ratings in the table following. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. SCERA has no general policy on credit and interest rate risk. SCERA monitors the interest rate risk inherent in its portfolio by measuring the duration of its portfolio. A rating of N/R represents pooled funds and other securities that have not been rated by Standard and Poor's (S&P) and N/A represents pooled securities that do not have a set duration.

The average duration and S&P credit rating of SCERA's fixed income portfolio as of December 31, 2023 was:

Investment Type	Fair Value	S&P Rating	Duration
Government Issues	\$ 95,249	AA+	15.11
Agency Backed Mortgages	132,545	AA+	7.50
Bank Loans	99,079	B-	3.85
Corporates	59,176	BBB+	9.12
Non-Agency Backed Mortgages	66,896	AA+	8.44
Other Asset Backed	51,395	AAA	3.21
Other	44,786	N/R	N/A
Municipals	1,728	AA-	18.25
Total	\$ 550,855		

Per SCERA's Investment Policy Statement, fixed income portfolios must have an overall, fair value weighted average quality of at least AA-. At least 80% of the fair value of the portfolio must be rated at least Baa/BBB or the equivalent by a Nationally Recognized Statistical Rating Organization (NRSRO). In cases when the yield spread adequately compensates for additional risk, up to 20% of the value of each fixed income portfolio may be invested in below investment grade securities provided that they are easily tradable and overall fixed income quality is maintained. Up to a maximum of 2% of the portfolio may be invested in bonds rated CCC/Caa or lower. Fixed income securities of any one issuer shall not exceed 10% of the total bond portfolio at the time of purchase. This does not apply to issues of the US Treasury or securities guaranteed by the US Government. Mortgage or asset backed securities that are credit independent of the issuer shall be limited to 25% of the value of the total issue or pool.

Firms that manage fixed income portfolios continually monitor the risk associated with their fixed income investments. They are expected to provide, as a component of their reports, a risk/reward analysis of the management decisions relative to their benchmarks.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. SCERA's Investment Policy Statement expects investment managers will use forward currency exchange contracts and currency and stock index futures contracts and related options and transactions for defensive currency hedging. It is preferred that currency exposures be un-hedged, but may periodically be up to 100% hedged for a specific country or up to 30% of the total portfolio at the manager's discretion. Such transactions should not be speculative in nature and should not exceed the value of underlying securities holdings.

DEPOSITS AND INVESTMENTS (continued)**Foreign Currency Risk (continued)**

The following positions represent SCERA's exposure to foreign currency risk as of December 31, 2023:

Securities	
Base Currency	Fair Value in USD (Dollars in Thousands)
Canada – CAD	\$ 471
Euro – EUR	80
Australia – AUD	40
Brazil – BRL	11
Denmark – DKK	10
South Africa – ZAR	7
Singapore – SGD	1
Total Non-USD Securities	\$ 620

Derivatives

The Board authorized certain investment managers to invest in or otherwise enter into transactions involving derivative financial instruments when, in the judgment of management, such transactions are consistent with the investment objectives established for a specific investment manager's assignment. However, such instruments shall not be used to create leverage or for speculative purposes.

The acceptable investment purposes for the use of derivatives include:

1. For defensive currency strategies of non-dollar portfolio holdings.
2. For controlling the duration of fixed income portfolios.
3. For managing yield curve strategies of fixed income portfolios.
4. For control of equity or fixed income exposure during portfolio transitions to overlay cash positions.
5. For effecting transitions to new investment managers.
6. For rebalancing the System's asset allocation toward Investment Policy Statement targets.

Risks arise from the possible inability of counterparties to meet the terms of their contract. The risks of accounting loss from these off-balance sheet transactions include credit risk and the possibility that future changes in market prices may make such financial instruments less valuable (market risk).

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Gains and losses from derivatives are included in net investment income. For financial reporting purposes all SCERA derivatives are classified as investment derivatives. The following are types of derivatives: futures contracts, forward contracts, option contracts and swap agreements.

Futures Contracts

A futures contract represents an agreement to buy (long position) or sell (short position) an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until a future date, which is referred to as the settlement or expiration date. Futures contracts are standardized contracts traded on organized exchanges. Futures contracts are priced "mark to markets" and daily settlements are recorded as investment gains or losses.

Forward Contracts

A forward contract represents an agreement to buy or sell an underlying asset at a specified date in the future at a specified price. Payment for the transaction is delayed until the settlement or expiration date. A forward contract is a non-standardized contract that is tailored to each specific transaction. Forward contracts are privately negotiated and are intended to be held until the settlement date. Currency forward contracts are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions.

DEPOSITS AND INVESTMENTS (continued)**Option Contracts**

An option contract is a type of derivative security in which a buyer (purchaser) has the right, but not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date.

The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option. At expiration, sale, or exercise, realized gains and losses are recognized.

Swap Agreements

A swap is an agreement between two or more parties to exchange a sequence of cash flows, or payments, over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows the counterparties exchange are tied to an agreed upon notional amount that is used to calculate the payments. A swap agreement specifies the time period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market.

The following positions represent SCERA's exposure to derivatives as of December 31, 2023:

Investment Derivatives Summary			
(Dollars in Thousands)			
Derivative Type	Change in Fair Value	Fair Value	Notional
Futures	\$ 4,007	\$ -	\$ 34,961
Forwards	970	(43)	22,369
Swaps – Credit Default	665	505	8,853
Swaps – Interest Rate	(156)	437	23,656
Total	\$ 5,486	\$ 899	\$ 89,839

Investment Derivative Credit Risk

The credit risk of using derivative instruments may include the risk that counterparties to contracts will not perform and/or the public exchange will not meet its obligation to assume this counterparty risk. SCERA is exposed to credit risk on investment derivatives that are traded over the counter and are reported in asset positions.

The following represents SCERA's exposure to derivative credit risk as of December 31, 2023:

Derivative Credit Risk Ratings Summary	
(Dollars in Thousands)	
S&P Credit Rating	Fair Value
A+	\$ 457
A-	628
BBB+	403
Total subject to credit risk	\$ 1,488

DEPOSITS AND INVESTMENTS (continued)**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments subject to interest rate risk as of December 31, 2023 are:

Interest Rate Risk Analysis (Dollars in Thousands)	
Derivative Type	Interest Rate Derivatives
Fair Value	\$942
Notional	\$65,750
Reference Rate	SOFR - 3 months

SECURITIES LENDING

Securities Lending involves the owner of equities or bonds (SCERA) transferring them temporarily to a Borrower who has need of the securities for a short-term trade or financing arrangement. In return for the receipt of the securities, the Borrower transfers either other securities, bonds, or cash back to SCERA's account as collateral. State Street, as the Agent Lender on behalf of SCERA, negotiates the cost of each loan with the Borrower, who then pays the negotiated borrowing fee, typically payable after the current month's end. Revenue is then distributed to SCERA with State Street retaining a small portion for its fee.

Borrowers were required to deliver collateral for each loan equal to (i) in the case of loaned securities denominated in United States dollars or sovereign debt issued by foreign governments, 102% of the fair value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105% of the fair value of the loaned securities.

State statutes do not prohibit SCERA from participating in securities lending transactions and SCERA has, via a Securities Lending Authorization Agreement with the Plan's custodian bank State Street Bank and Trust Company (collectively "State Street"), authorized State Street to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During 2023, State Street lent, on behalf of SCERA, certain securities held by State Street as custodian and received cash (United States and foreign currency), securities issued or guaranteed by the United States government and irrevocable letters of credit as collateral. State Street did not have the ability to pledge or sell collateral securities absent a borrower default.

SCERA did not impose any restrictions during 2023 on the amount of the loans that State Street made on its behalf and State Street had indemnified SCERA by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no failures by any borrowers to return loaned securities or pay distributions thereon during 2023. There were no losses during 2023 resulting from a default of the borrowers.

During 2023, SCERA and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders in a collective investment pool. As of December 31, 2023, such investment pool had an average duration of 24.6 days and an average weighted final maturity of 108.9 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On December 31, 2023, SCERA had no credit risk exposure to borrowers.

As of December 31, 2023, the fair value of the securities on loan was \$133.6 million. The fair value of associated collateral was \$137.4 million (\$93.2 million of cash collateral and \$44.2 million of non-cash collateral). Non-cash collateral, which SCERA does not have the ability to sell unless the borrower defaults, is not reported in the Statement of Fiduciary Net Position.

Due to the nature of the securities lending program and State Street's collateralization of loans at 102% (or 105% for non-dollar securities), SCERA believes that there is no credit risk as defined by GASB Statement No. 28 and GASB Statement No. 40.

SUMMARY OF INVESTMENT POLICIES

The County Employees Retirement Law of 1937 (Law) and the California Constitution vest the Board of Retirement with exclusive control over the investment of SCERA's investment portfolio. The Law allows for the Board to invest, or delegate the authority to invest, the assets of the Plan through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

Additionally, the Law requires that the Board and its officers and employees shall discharge their duties with respect to SCERA and the investment portfolio as follows:

- Solely in the interest of, and for the exclusive purposes of, providing benefits to participants and their beneficiaries, and defraying reasonable expenses of administering SCERA.
- With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- Shall diversify the investment portfolio to minimize the risk of loss and maximize the rate-of-return, unless under the circumstances it is clearly prudent not to do so.

FAIR VALUE MEASUREMENTS

In 2016, SCERA adopted GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 establishes a fair value hierarchy based on three levels of input to develop the fair value measurements for investments. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Fixed income and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Fixed income and equity securities classified in Level 2 are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for those securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are determined in good faith by the investment managers who utilize independent third party appraisals and operating results.

The categorization of SCERA's investments within the fair value hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Details are provided in the table on page 34.

FAIR VALUE MEASUREMENTS (continued)**Investments and Derivatives Measured at Fair Value**

For the Year Ended December 31, 2023

INVESTMENT TYPE (Dollars in Thousands)	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Fixed Income Securities				
US Government Securities	\$ 95,249	\$ -	\$ 95,249	\$ -
Agency Backed Mortgages	132,545	-	132,545	-
Bank Loans	99,079	-	98,086	993
Corporate	59,176	-	59,176	-
Non-Agency Backed Mortgages	66,896	-	66,896	-
Other	44,786	36,570	8,179	37
Other Asset Backed	51,396	-	51,396	-
Municipals	1,728	-	1,728	-
Total Fixed Income Securities	550,855	36,570	513,255	1,030
Equity Securities				
Domestic Equity	1,235,064	1,234,881	183	-
Non-US Equity	792,652	792,645	7	-
Total Equity Securities	2,027,716	2,027,526	190	-
Real Assets				
Real Estate	279,632	-	-	279,632
Infrastructure	356,892	-	-	256,892
Farmland	262,726	-	-	262,726
Total Real Assets	899,250	-	-	899,250
Collateral from Securities Lending	93,200	-	93,200	-
Limited Partnership (Opportunistic)	25,070	-	-	25,070
Total Investments	\$ 3,596,091	\$ 2,064,096	\$ 606,645	\$ 925,350
Derivatives				
Swaps	\$ 942	\$ -	\$ 942	\$ -
Forwards	(43)	(43)	-	-
Total Derivatives	\$ 899	\$ (43)	\$ 942	\$ -

NOTE 3 – INTERFUND TRANSACTIONS

(a) Interfund Receivables/Payables

Interfund receivables and payables result from a time lag between the dates that 1) transactions are recorded in the accounting system or 2) payments are made between funds. Interfund balances as of June 30, 2024 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Special Revenue Fund	\$ 519
	Internal service funds	1,541
	Other governmental funds	112
	Other enterprise funds	14
		2,186
Human Services Special Revenue Fund	Other governmental funds	2,719
Health and Sanitation Special Revenue Fund	General Fund	1,900
Integrated Waste	Airport	2,000
	Transit	1,000
		3,000
Other governmental funds	General Fund	1
	Health and Sanitation Special Revenue Fund	3,460
	Human Services Special Revenue Fund	7,000
		10,461
Total		\$ 20,266

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Internal service funds ⁽¹⁾	\$ 661
	Energy Independence Program funds	100
	Other enterprise funds	29
		\$ 790

⁽¹⁾ Internal service funds advance for County’s Enterprise Financial Systems will be paid off in fiscal year end 2026.

(b) Transfers

Transfers are used to fund capital projects, payments for debt service, subsidies of various County operations, and re-allocations of special revenue. The following schedules summarize the County’s transfer activity during the fiscal year ended June 30, 2024:

(1) Between Governmental and Business-Type Activities:

Transfer from	Transfer To	Amount	Purpose of Funding
Governmental Activities:	Business-Type Activities		
General Fund	Integrated Waste Fund	\$ 1,538	Operations
	Airport Enterprise Fund	13	Operations
	Energy Independence Program	6	Operations
	Transit	737	Operations
	Other enterprise funds	928	Operations
		3,222	
Business-Type Activities:	Governmental Activities:		
Integrated Waste Fund	General Fund	(7)	Operations
Airport Enterprise Fund	General Fund	(13)	Operations
Energy Independence Program	General Fund	(5)	Operations
Transit	General Fund	(14)	Operations

Other enterprise funds	General Fund	(2)	Operations
		(41)	
Total		\$ 3,181	

(2) Between Funds within the Governmental Activities:

Transfer from	Transfer To	Amount	Purpose of Funding
General Fund	Human Services Special Revenue Fund	\$ 29,463	Operations
	Health and Sanitation Special Revenue Fund	16,273	Operations
	Internal service funds	3,566	Operations and capital projects
	Other governmental funds	69,599	Operations and capital projects
		118,901	
Health and Sanitation Special Revenue Fund	General Fund	464	Operations
Human Services Special Revenue Fund	General Fund	430	Operations
Open Space Special Tax Account Special Revenue Fund	Other governmental funds	50,960	Operations and debt service
Other governmental funds	General Fund	32,621	Operations
	Health and Sanitation Special Revenue Fund	1	Operations
	Other governmental funds	8,023	Operations and capital projects
		40,645	
Internal service funds	General Fund	174	Operations
Total		\$ 211,574	

NOTE 4 – CAPITAL ASSETS

Capital asset activities for the fiscal year ended June 30, 2024 are as follows:

Governmental Activities:	Balance July 1, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
Capital assets, non-depreciable:					
Land	\$ 351,407	\$ 5,744	\$ -	\$ -	\$ 357,151
Intangible assets	422,370	34,581	-	828	457,779
Work in progress	5,628	7,659	(286)	(7,771)	5,230
Construction in progress	150,578	77,941	(4,517)	(61,709)	162,293
Total capital assets, non-depreciable	929,983	125,925	(4,803)	(68,652)	982,453
Capital assets, depreciable:					
Intangible assets	54,094	47	(212)	4,107	58,036
Infrastructure	657,187	-	(17,877)	60,995	700,305
Buildings and improvements	462,997	-	-	559	463,556
Land improvements	15,363	-	-	156	15,519
Machinery and equipment	110,066	9,103	(12,296)	2,835	109,708
Right-to-use asset - building	97,812	26,113	(55)	-	123,870
Right-to-use asset - land	2,396	-	(4)	-	2,392
Right-to-use asset - M&E	2,830	-	-	-	2,830
Right-to-use asset - SBITA/subscription	6,662	3,029	(196)	-	9,495
Total capital assets, depreciable	1,409,407	38,292	(30,640)	68,652	1,485,711
Less accumulated depreciation/amortization for:					
Intangible assets	(42,855)	(3,836)	86	-	(46,605)
Infrastructure	(428,876)	(14,791)	16,883	-	(426,784)
Buildings and improvements	(203,440)	(10,872)	-	-	(214,312)
Land improvements	(2,722)	(1,021)	-	-	(3,743)
Machinery and equipment	(73,289)	(9,249)	11,012	-	(71,526)
Right-to-use asset - building	(21,969)	(11,898)	-	-	(33,867)
Right-to-use asset - land	(363)	(158)	1	-	(520)
Right-to-use asset - M&E	(30)	(89)	-	-	(119)
Right-to-use asset - SBITA/subscription	(2,089)	(2,249)	126	-	(4,212)
Total accumulated depreciation/amortization	(775,633)	(54,163)	28,108	-	(801,688)
Total capital assets, depreciable, net	633,774	(15,871)	(2,532)	68,652	684,023
Total capital assets, net	\$ 1,563,757	\$ 110,054	\$ (7,335)	\$ -	\$ 1,666,476

Capital assets, non-depreciable:					
Land	\$ 27,718	\$ -	\$ -	\$ 2	\$ 27,720
Construction in progress	46,707	11,754	(84)	(3,369)	55,008
Total capital assets, non-depreciable	74,425	11,754	(84)	(3,367)	82,728
Capital assets, depreciable:					
Intangible assets	12,207	-	-	-	12,207
Infrastructure	13,048	-	-	-	13,048
Land improvements	225	-	(1)	-	224
Buildings and improvements	260,982	972	-	107	262,061
Machinery and equipment	41,250	624	(1,180)	3,260	43,954
Total capital assets, depreciable	327,712	1,596	(1,181)	3,367	331,494
Less accumulated depreciation/amortization for:					
Intangible assets	(9,821)	(286)	-	-	(10,107)
Infrastructure	(2,596)	(523)	-	-	(3,119)
Land improvements	(82)	(15)	-	-	(97)
Buildings and improvements	(168,750)	(5,594)	46	-	(174,298)
Machinery and equipment	(27,476)	(2,590)	1,085	-	(28,981)
Total accumulated depreciation/amortization	(208,725)	(9,008)	1,131	-	(216,602)
Total capital assets, depreciable, net	118,987	(7,412)	(50)	3,367	114,892
Total capital assets, net	\$ 193,412	\$ 4,342	\$ (134)	\$ -	\$ 197,620

Depreciation/Amortization Expense

Depreciation/amortization expense charged for the fiscal year ended June 30, 2024 are as follows:

General government	\$ 8,460
Public protection	11,684
Public ways and facilities	15,022
Health and sanitation	6,047
Public assistance	6,409
Education	256
Recreation and cultural services	3,538
Depreciation on Heavy Equipment Replacement ISF capital assets	814
Depreciation on Enterprise Resource Planning (ERP) ISF capital assets	1,933
Total depreciation/amortization expense	\$ 54,163
Business-Type Activities:	
Integrated Waste	\$ 980
Airport	3,866
Energy Independence Program	29
Transit	2,916
Fair	871
Marinas	141
Other Districts	205
Total depreciation/amortization expense	\$ 9,008

NOTE 5 – LEASES**Lessor:**

As of June 30, 2024, the County was the lessor for several noncancelable leases for building space, land, machinery & equipment, and an easement. The lease terms expire at various times through FY 2062. Monthly payments include both fixed and variable payments. Variable payments are adjusted based on the Consumer Price Index (CPI). The County recognized \$1,016 in lease revenue and \$320 in interest revenue during the current fiscal year. As of June 30, 2024, the receivables for lease payments and deferred inflow of resources were \$13,857 and \$13,329, respectively. Lease interest rates range from 0.73% to 3.70%.

The future principal and interest lease payments receivable as of June 30, 2024 are as follows:

Governmental Activities

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Receivable
2025	\$ 459	\$ 154	\$ 613
2026	418	144	562
2027	405	135	540
2028	395	125	520
2029	406	116	522
2030 - 2034	1,431	471	1,902
2035 - 2039	1,756	278	2,034
2040 - 2044	1,198	53	1,251
2045 - 2049	30	2	32
2050 - 2054	1	-	1
	\$ 6,499	\$ 1,478	\$ 7,977

Business-Type Activities

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Receivable
2025	\$ 403	\$ 159	\$ 562
2026	354	153	507
2027	346	146	492
2028	330	140	470
2029	313	134	447
2030 - 2034	1,277	581	1,858
2035 - 2039	1,039	455	1,494
2040 - 2044	1,131	329	1,460
2045 - 2049	954	198	1,152
2050 - 2054	767	96	863
2055 - 2059	389	17	406
2060 - 2062	55	1	56
	\$ 7,358	\$ 2,409	\$ 9,767

Lessee:

As of June 30, 2024 the County was the lessee for several noncancellable leases for building space, land, and machinery & equipment. The lease terms expire at various times through FY 2056. Monthly payments include both fixed and variable payments. Variable payments are adjusted based on CPI. At June 30, 2024, the value of the lease liability was \$99,274. Lease interest rates range from 0.32% to 3.97%.

The future principal and interest lease payments as of June 30, 2024 are as follows:

Governmental Activities ⁽¹⁾

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	\$ 10,600	\$ 1,725	\$ 12,325
2026	10,667	1,990	12,657
2027	10,043	1,801	11,844
2028	8,083	1,626	9,709
2029	6,768	1,470	8,238
2030 - 2034	26,451	5,248	31,699
2035 - 2039	17,666	2,530	20,196
2040 - 2044	5,793	815	6,608
2045 - 2049	1,596	391	1,987
2050 - 2054	1,458	162	1,620
2055 - 2056	149	1	150
	\$ 99,274	\$ 17,759	\$ 117,033

⁽¹⁾ Internal Service Funds (ISF) predominantly serve governmental funds, therefore ISF future principal and interest are included in the above totals for governmental activities

NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has entered into several subscription-based information technology arrangements (SBITAs) to finance the purchase of data storage, training, enterprise planning, communication, ballot counting and other software systems. SBITA terms expire at various times through FY2030. Payments include both interest and principal. As of June 30, 2024, the value of the SBITA liability was \$4,384. SBITA interest rates range from 1.12% to 3.11%.

The future minimum obligations under subscription-based information technology arrangements as of June 30, 2024, are as follows:

Governmental Activities ⁽¹⁾

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	\$ 2,225	\$ 96	\$ 2,321
2026	627	49	676
2027	354	35	389
2028	378	27	405
2029	423	18	441
2030	377	8	385
	\$ 4,384	\$ 233	\$ 4,617

⁽¹⁾ Internal Service Funds (ISF) predominantly serve governmental funds, therefore ISF future principal and interest are included in the above totals for governmental activities

NOTE 7 – LONG-TERM LIABILITIES**(a) Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities activity for the fiscal year ended June 30, 2024:

Governmental Activities	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 41,878	\$ 47,714	\$ (41,878)	\$ 47,714	\$ 32,181
Self-insurance ⁽¹⁾	68,296	4,944	(869)	72,371	16,763
Certificates of participation - direct borrowing	7,046	-	(2,126)	4,920	2,105
Bonds payable	63,875	-	(8,985)	54,890	1,075
Pension obligation bonds - direct placement ⁽¹⁾	204,945	-	(21,065)	183,880	23,935
Financed purchases	2,353	2,056	(480)	3,929	519
Lease liabilities ⁽¹⁾	83,989	25,015	(9,730)	99,274	10,600
Subscription liabilities ⁽¹⁾⁽²⁾	4,121	2,362	(2,099)	4,384	2,225
Contracts payable	2,648	-	(662)	1,986	662
Net pension liability ⁽¹⁾	344,382	-	(138,596)	205,786	-
Net OPEB liability ⁽¹⁾	145,100	5	(20,003)	125,102	-
Subtotal long-term liabilities	968,633	82,096	(246,493)	804,236	90,065
Unamortized issuance premiums	7,728	-	(1,050)	6,678	-
Total long-term liabilities	\$ 976,361	\$ 82,096	\$ (247,543)	\$ 810,914	\$ 90,065

⁽¹⁾ Internal Service Funds (ISF) predominantly serve governmental funds, therefore ISF long-term liabilities including self-insurance, pension, pension obligation bonds, OPEB, leases, and subscriptions are included in the above totals for governmental activities and liquidated in those funds. Compensated absences are primarily liquidated by the General Fund.

Business-type Activities	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 677	\$ 631	\$ (514)	\$ 794	\$ 622
Landfill closure and postclosure	7,299	263	(1,438)	6,124	-
Advances from other governments - direct borrowing	887	-	(25)	862	26
Energy bonds payable - direct placement	27,189	7,780	(3,065)	31,904	1,839
Loans payable - direct borrowing	15,206	-	(493)	14,713	507
Net pension liability	3,279	1,805	(1,699)	3,385	-
Net OPEB liability	1,991	65	(68)	1,988	-
Total long-term liabilities	\$ 56,528	\$ 10,544	\$ (7,302)	\$ 59,770	\$ 2,994

(b) Long-term obligations outstanding

Individual issues of certificates of participation, bonds, loans, and financed purchase obligations outstanding at June 30, 2024 are as follows:

Governmental Activities	Maturity	Interest Rates/Ranges	Annual Principal Installments	Original Issue Amount	Outstanding Balance June 30, 2024
Certificates of Participation from direct borrowing:					
2017 General Services Energy	2026	2.45%	\$660-1,080	\$ 17,225	\$ 4,920
					4,920
Bonds Payable:					
Tobacco Settlement - Bonds Series 2020	2049	1.38-5.00%	1,275-3,133	66,636	54,890
Unamortized issuance premium					6,678
					61,568
Pension Obligation Bonds from direct placement:					
2010 Series	2030	2.12-6.0%	0-38,030	289,335	183,880
					183,880
Financed Purchase Obligations					
Various	2029	3.62-6.77%	26-245	8,207	3,929
Total long-term obligations					\$ 254,297

Business-type Activities	Maturity	Interest Rates/Ranges	Annual Principal Installments	Original Issue Amount	Outstanding Balance June 30, 2024
Advances from other governments from direct borrowing:					
Various state and local agencies for the County's other enterprise funds	2053	2.75-3.41%	\$4-213	\$ 4,172	\$ 862
					862
Bonds Payable from direct placement:					
Energy Independence Program	2037	3.00%	93-2,926	\$ 96,750	31,904
Loans Payable from direct borrowing:					
Pacific Gas & Electric Loan	2025	0.00%	0-2	20	1
iBank	2048	3.52-3.61%	103-716	17,000	14,712
					14,713
Total long-term obligations					\$ 47,479

(c) Debt Related Disclosures

Additional information related to debt including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses as required by GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* are noted below:

Certificates of Participation (COP) – The County refunded the 2009 Energy COP, as a direct borrowing in March 2017 to defease outstanding debt of \$16,515, issuing new debt of \$17,225 to be fully paid by the end of 2026. The proceeds provided funding for a comprehensive energy project.

Debt service payments for the COPs are funded by legally available resources of the County and are fully collateralized by the facilities financed with the proceeds of the certificates of participation. The COP agreements contain provisions that in the event of default the interest rate increases on the outstanding balance. In the event of default or termination, the County would be responsible for all costs incurred.

Bonds Payable – The Sonoma County Securitization Corporation (Corporation) borrowed, as direct borrowing, from the California County Tobacco Securitization Agency the proceeds of the Series 2005 Tobacco Settlement Asset-Backed Refunding Bonds to provide additional resources and to refund the Series 2002 A and B Tobacco Settlement Asset-Backed Bonds issued by the Agency. The Corporation has pledged all revenue from the tobacco Master Settlement Agreement (MSA) for the repayment of the Bonds. The MSA was originally entered into by the four major cigarette manufacturers, 46 states and six other U.S. jurisdictions (Settling States) to provide state governments (including California) with compensation for smoking related medical costs and to help reduce smoking in the United States.

There is no limit to the annual settlement payments; they are perpetual. In addition, a Memorandum of Understanding (MOU) and a supplemental agreement (ARIMOU) was agreed to by the State of California and all California counties and four California cities, granting those California municipalities the right to receive tobacco settlement allocation payments, (also known as Tobacco Settlement Revenues (TSRs)). Under the terms of the tobacco bond indenture, the bonds are payable solely from certain funds held under the indenture, including TSRs and earnings on such funds. However, actual payments on the bonds depend on the amount of TSRs received by the County. The amount of these TSRs is affected by cigarette consumption and the financial capability of the participating manufacturers. There are a number of risks associated with the amount of actual TSRs the County receives each year, including a decline in cigarette consumption materially beyond forecasted levels, and other future adjustments to the calculation of the TSRs. If actual events deviate from one or more of the assumptions underlying the Base Case, the amount of TSRs available to make Turbo Redemption, interest, and principal payments will be affected. No assurance can be given that the projected payments and Turbo Redemptions will be realized.

On September 30, 2020, the Sonoma County Securitization Corporation issued new debt in the amount of \$66,636 to refund and defease the remaining balance of the Tobacco Settlement Asset-Backed Refunding Bonds (Sonoma County Securitization Corporation) Series 2005 on October 30, 2020 for \$66,485.

The Sonoma County Securitization Corporation has pledged all revenues received from the tobacco Master Settlement Agreement (MSA) to repay the outstanding principal of \$54,890 for the Tobacco Settlement Bonds, Series 2020. Total principal and interest remaining on the bonds is \$90,508 through 2049. During the fiscal year ended June 30, 2024, principal and interest paid on the Series 2020 Tobacco Settlement Bonds totaled \$4,400. Based on the above information, the County presents the debt service to maturity assuming no further turbo payments.

Pension Obligation Bonds – Pension obligation bonds were issued as direct placement debt in 2010 to fund the County's unfunded pension liability.

Debt service payments are funded by charges to County departments based on the proportionate share of salaries and benefit expenses. In the event of default, the County treasury would be required to transfer funds sufficient to pay the principal and interest due and for expenses of the Trustee incurred in the performance of its powers and duties.

Financed Purchase Obligations – The County has entered into financed lease obligations to acquire various machinery and equipment. Debt service payments are funded by legally available resources. In the event of default or termination all current amounts are immediately due and payable. The Lessor has the right to reclaim possession of the equipment.

Energy Bonds Payable – The Sonoma County Public Financing Authority sold increments of special Contractual Assessment Revenue Bonds to the County's Treasury and to Sonoma Water as direct placement debt. The proceeds of the bonds were lent to the Energy Independence Program major enterprise fund to finance the County's Energy Independence Program.

Loans and Advances – Advances from other governments represent direct borrowings: (a) loans from the California Department of Boating and Waterways and the California Coastal Conservancy and (b) loans from various state and local agencies for which debt service payments are funded by the operations of the related fund or activity. Real and personal property and net revenues are irrevocably pledged as security for these loans. In the event of default the lenders may declare all principal and accrued interest immediately due and payable.

(d) Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings, and at June 30, 2024, does not expect to incur a liability.

(e) Debt service requirements

Schedule of debt payment requirements for long-term obligations outstanding to maturity at June 30, 2024 follows:

Governmental Activities

Year ending June 30:	Certificates of Participation from direct borrowing		Bonds Payable		Pension Obligation Bonds from direct placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,105	\$ 109	\$ 1,075	\$ 1,676	\$ 23,935	\$ 10,315
2026	2,155	56	2,755	1,622	27,045	8,785
2027	660	8	3,085	1,484	30,420	7,061
2028	-	-	3,133	1,875	34,075	5,127
2029	-	-	2,615	1,871	38,030	2,963
2030-2034	-	-	12,331	8,866	30,375	911
2035-2039	-	-	12,069	8,476	-	-
2040-2044	-	-	10,959	8,286	-	-
2045-2049	-	-	6,868	1,461	-	-
Subtotals	4,920	173	54,890	35,617	183,880	35,162
Issuance premiums	-	-	6,678	-	-	-
Total	\$ 4,920	\$ 173	\$ 61,568	\$ 35,617	\$ 183,880	\$ 35,162

Year ending June 30:	Financed Purchase Obligations	
	Principal	Interest
2025	\$ 519	\$ 184
2026	578	127
2027	602	104
2028	363	84
2029	369	75
2030-2034	393	294
2035-2039	491	195
2040-2044	614	72
Total	\$ 3,929	\$ 1,135

Business-type Activities

Year ending June 30:	Loans Payable from direct borrowings		Advances From Other Governments from direct borrowing		Energy Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 507	\$ 513	\$ 26	\$ 23	\$ 1,839	\$ 771
2026	525	495	26	23	2,034	804
2027	544	476	27	22	2,167	747
2028	563	456	28	21	2,304	686
2029	583	436	28	21	2,448	620
2030-2034	3,239	1,849	120	93	9,398	2,183
2035-2039	3,854	1,223	131	76	6,098	1,197
2040-2044	3,845	490	150	57	5,412	401
2045-2049	1,053	78	172	36	204	3
2050-2054	-	-	154	11	-	-
Total	\$ 14,713	\$ 6,016	\$ 862	\$ 383	\$ 31,904	\$ 7,412

NOTE 8 – EMPLOYEES’ RETIREMENT PLANS

(a) Plan Description

The Sonoma County Employees’ Retirement Association (SCERA) was established January 1, 1946, under the provisions of the 1937 County Employees Retirement Act. SCERA is a cost-sharing, multiple-employer Defined Benefit Pension Plan (Plan), legally separate entity from the County.

All General and Safety employees hired on or after January 1, 2013, with the exception of employees who are eligible for reciprocity with another qualified California retirement system, are part of a tier called Plan B. General and Safety employees hired before January 1, 2013 are part of the original Plan called Plan A.

Plan members include employees in a permanent position of at least half time for employees of the County of Sonoma, Sonoma County Transportation Authority, Sonoma Valley Fire District, and Superior Courts of California. Plan members are classified as either General or Safety (e.g., eligible Sheriff, Fire, and Probation Department employees). Membership becomes effective on the first day of service. The Plan provides benefits as defined by the law upon retirement, death, or disability of members and may be amended by the Board of Supervisors and then shall be implemented by the Board of Retirement.

At December 31, 2023, the date of the most recent actuarial valuation, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	5,760
Current active members	4,242
Inactive vested members	1,765
Total	11,767

SCERA issues a financial report available to the public that includes financial statements and required supplementary information for the Plan, available upon request from SCERA at 433 Aviation Boulevard, Santa Rosa, California, 95403, or can be found online at www.scretire.org.

(b) Benefits Provided

Benefit Tiers

The tiers and the basic provisions are listed in the following table:

Tier Name	Membership Effective Date	Basic Provisions	Final Average
Plan A			
General Membership	Before January 1, 2013	3% at 60	Highest 1-year
Safety Membership	Before January 1, 2013	3% at 50	Highest 1-year
Plan B			
General Membership	January 1, 2013	2.5% at 67	Highest 3-year
Safety Membership	January 1, 2013	2.7% at 57	Highest 3-year

Vesting

Upon completing five years of creditable service, employees have non-revocable rights to receive benefits attributable to employer’s contributions, provided employee contributions have not been withdrawn. Plan A members are eligible to retire at age 50 with ten years of service from the date of membership or thirty years of service (safety members-twenty years of service) regardless of age. Plan B General members are eligible to retire at age 52 with five years of service; Plan B Safety members are eligible to retire at age 50 with five years of service. Members in all plans are eligible to retire at age 70, regardless of years of service.

Benefit Payments

Benefits are based upon a combination of age, years of service, final compensation and the benefit payment option selected by the member. For Plan A members, final compensation is defined as the highest 12 consecutive months of compensation earnable. The maximum benefit payable to a member or beneficiary is 100% of the

final compensation. For Plan B members, final compensation is based on the highest 36 months of pensionable compensation. Additionally Plan B members are limited in the amount of compensation used to calculate a benefit to 100% of the Social Security taxable wage base limit.

Cost of Living Adjustments

SCERA has approved, on an ad hoc basis, several one-time, post-retirement cost of living increases (COLAs), the last of which was in 2008. These cost of living increases have been fully funded by transfers from the Undistributed Earnings Reserve, Cost of Living Future Reserve, or Interest Fluctuation Reserve into the Cost of Living Current Reserve account.

Death Benefit – Prior to Retirement

In addition to the return of contributions, a death benefit is payable to the member's beneficiary or estate equal to one month's salary for each completed year of service under the retirement system (based on the final compensation preceding the member's death), but not to exceed 6 months of salary. If a member dies while eligible for service retirement or non-service connected disability, his or her spouse/domestic partner receives 60% of the allowance that the member would have received for retirement on the day of the member's death. If a member dies in the performance of duty, the spouse/domestic partner will receive a lifetime benefit equal to 50% of the member's highest average compensation or a service retirement benefit, whichever is higher.

Death Benefit – After Retirement

As part of the retirement process, members are required to select among several options for benefits continuation upon the member's death. For married/domestic partner retirees, the most common retirement option is the unmodified option, which pays the retiree's eligible spouse or domestic partner a lifetime benefit equal to 60% of the benefit the retiree was receiving.

Disability Benefit

Members with 5 years of service, regardless of age, are eligible for non-service connected disability. The benefit for Plan A members is 1.8% of final compensation for each year of service; and the benefit for Plan B members is 1.5% of final compensation for each year of service. The maximum benefit for both Plans is 1/3 of final compensation. All employees, regardless of years of service are eligible for service connected disability. The benefit of a service connected disability is the greater of 50% of the highest average compensation or service retirement benefit.

Return of Contributions

If a member should resign or die before becoming eligible for retirement, his or her contribution plus interest may be refunded. In lieu of receiving a return of contributions, a member may elect to leave his or her contributions on deposit. Members with at least five years of service may choose to receive a deferred vested benefit when eligible for retirement.

(c) Actuarial Methods and Assumptions

The table below summarizes the actuarial methods and assumptions of Plan A and Plan B for the actuarial valuation and measurement date of December 31, 2023:

Actuarial cost method	Entry Age
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases - General	3.55% to 8.00%
Projected salary increases - Safety	4.00% to 10.50%
Inflation	2.50%
Cost-of-living adjustments	None

(d) Contributions and Funding Policy

The contribution requirements of Plan members and the County are determined by an independent actuary, approved by the SCERA Board of Retirement, and adopted by the Board of Supervisors. The contribution rates for the fiscal year ended June 30, 2024 were based on the Plan's valuations dated December 31, 2021 and December 31, 2022. The contribution rates determined in each actuarial valuation take effect at the beginning of the fiscal year starting at least twelve months after the beginning of the valuation year, except when significant benefit or actuarial assumption changes occur. Plan A members are required to contribute between approximately 7% and 15% of their annual covered salary, and the member's particular rate is based upon age at entry into the system. Plan B members are required to contribute a flat rate as calculated by the actuary. The County is required to contribute the remaining amounts necessary to finance the coverage of employees through periodic contributions at actuarially determined rates. Employer and member contributions are funded and recognized through the County and District payroll systems via employer benefit payments and employee deductions. For the fiscal year ended June 30, 2024, the County contributed \$75,398 or approximately 19.50% of covered payroll.

(e) Pension Assets/Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the County reported a net pension liability of \$209,171 for its proportionate share of the net pension asset/liability, and discrete component units reported a net pension liability of \$17,204 for their proportionate share. The net pension asset/liability was measured as of December 31, 2023 and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset/liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all Plan participants, actuarially determined. At December 31, 2023, the County's proportion was 83.98%, a 0.11% decrease compared to December 31, 2022, and the discrete component unit's proportion was 6.91%, a decrease of 0.35%, compared to December 31, 2022.

For the year ended June 30, 2024, the County recognized a pension expense of \$48,547 and the discrete component units recognized a pension expense of \$3,758. At June 30, 2024, the County and discrete component units 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
Governmental Activities		
Differences between expected and actual experience	\$ 26,966	\$ (2,343)
Changes in assumptions	18,328	-
Net difference between projected and actual earnings on plan investments	17,947	-
Changes in proportion and differences between County contributions and proportionate share of contributions	14,210	(21,388)
Contributions subsequent to the measurement date	37,212	-
Total Governmental Activities	114,663	(23,731)
Business-Type Activities		
Differences between expected and actual experience	266	(64)
Changes in assumptions	286	-
Net difference between projected and actual earnings on plan investments	850	-
Changes in proportion and differences between County contributions and proportionate share of contributions	153	(315)
Contributions subsequent to the measurement date	582	-
Total Business-Type Activities	2,137	(379)
Total Primary Government Total	\$ 116,800	\$ (24,110)
Discrete Component Units		
Differences between expected and actual experience	\$ 2,111	\$ (288)
Changes in assumptions	1,293	-
Net difference between projected and actual earnings on plan investments	2,048	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,391	(2,012)
Contributions subsequent to the measurement date	2,880	-
Total	\$ 9,723	\$ (2,300)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. Contributions made subsequent to the measurement date are recorded as deferred outflows of resources related to pensions and will be recognized as a reduction of net pension liability in the year ended June 30, 2025 totaling \$37,794 for the County and \$2,880 for discrete component units. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Governmental Activities ⁽¹⁾	Business-Type Activities ⁽¹⁾	Total Primary Government ⁽¹⁾	Discrete Component Units ⁽¹⁾
2025	\$ 24,156	\$ 170	\$ 24,326	\$ 2,097
2026	3,061	233	3,294	109
2027	57,723	676	58,399	4,968
2028	(31,220)	97	(31,123)	(2,631)
Total	\$ 53,720	\$ 1,176	\$ 54,896	\$ 4,543

⁽¹⁾ Brackets indicate negative expense

(f) Discount Rate

The discount rates used to measure the total pension liability was 6.75% as of December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023.

The long-term expected rate of return on assets was determined using a building block approach in which an expected future real rate of return is developed for each major asset class. These expected rates are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage adjusted by inflation and a risk margin. The target allocation and projected arithmetic real rates of return, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of December 31, 2023 are summarized in the table below:

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Large Cap Equity	16.50%	5.35%
Small Cap Equity	5.00%	6.55%
Developed International Equity	14.88%	6.31%
Global Equity	18.00%	6.28%
Emerging Market Equity	6.62%	8.47%
Core Bonds	16.00%	0.70%
Bank Loan	3.00%	2.43%
Real Estate	10.00%	4.89%
Infrastructure	5.00%	6.05%
Farmland	5.00%	5.90%
Total	100.00%	

(g) Sensitivity of the Proportionate Share of the Net Pension Liability (Asset)

The following presents the governmental activities, business-type activities and discrete component units proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the proportionate share of the net pension liability (asset) would be if calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental Activities	\$ 583,953	\$ 205,786	\$ (108,093)
Business-Type Activities	8,482	3,385	(847)
Total Primary Government	592,435	209,171	(108,940)
Discrete Component Units	49,661	17,204	(9,736)
Total	\$ 642,096	\$ 226,375	\$ (118,676)

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**(a) Plan Description**

The County of Sonoma (County) maintains an Other Postemployment Healthcare Plan (OPEB or Plan). The Plan is a single employer defined benefit plan which is administered by the County. The authority to establish and amend benefit provisions of the Plan resides with the County Board of Supervisors.

In accordance with a County Board of Supervisors approved salary resolution and memorandum of understanding, the Plan includes unrepresented and represented employees hired prior to January 1, 2009, with at least 10 consecutive years of regular full-time paid employment. The Plan was closed to new participants on January 1, 2009.

The County established an OPEB trust with the Public Agency Retirement Services (PARS) in 2008 to accumulate resources to fund future benefit payments of the Plan. The OPEB trust is reported in the County of Sonoma's Annual Comprehensive Financial Report (ACFR). In lieu of a separately issued financial statements for the OPEB trust, condensed financial statements are presented below as of and for the year ended June 30, 2024 :

Other Postemployment Benefits (OPEB) Trust
Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Other Postemployment Benefits (OPEB) Trust
ASSETS	
Investments at fair value:	
Cash and equivalents	3,352
Mutual funds	116,923
Corporate obligations	13,394
Government obligations	24,506
Total investments	158,175
Total assets	158,175
LIABILITIES	
NET POSITION (DEFICIT)	
Restricted for:	
Other postemployment benefits	158,175
Total net position (deficit)	\$ 158,175

Other Postemployment Benefits (OPEB) Trust
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Other Postemployment Benefits (OPEB) Trust
ADDITIONS	
Contributions:	
Employer contributions	\$ 40,152
OPEB employer contributions outside of trust	1,994
Total contributions	42,146

Investment earnings (loss):	
Net increase (decrease) in fair value of investments	653
Interest, dividends, and other	15,385
Total investment earnings (loss)	16,038
Less investment costs:	
Investment expense	333
Net investment earnings (loss)	15,705
Total additions	57,851
DEDUCTIONS	
Benefits paid to participants or beneficiaries	20,096
OPEB employer expense outside of trust	1,994
Administrative expenses	1,419
Total deductions	23,509
Net increase (decrease) in fiduciary net position	34,342
Net position, beginning	123,833
Net position, ending	\$ 158,175

(b) Benefits Provided

Retirees and the County share in the cost of monthly premiums for medical coverage. The County contribution toward General plan member premiums is a \$500 per month maximum contribution. Retired Safety and Law Enforcement Management receive a County contribution of \$500 per month to the Deputy Sheriff Association Retiree Medical Trust. Retirees may enroll eligible dependents in the County medical plan elected by the retiree, but the retiree is responsible for all premium costs in excess of the County's contribution. In the case of a Safety employee's line-of-duty death pursuant to the California labor code, dependents of the deceased employee are eligible to receive County-subsidized medical coverage. In addition to the monthly contribution, the County reimburses General retirees hired prior to January 1, 2009, a fixed amount of \$96.40 per month for Medicare Part B premiums. Safety and Law Enforcement Management retirees are not eligible for the Medicare Part B reimbursement.

Effective June 1, 2024, Medicare eligible members enrolled in the County's self-funded County Health Plan EPO and PPO were migrated to the new fully-insured Anthem Medicare Advantage plan.

(c) Timeframes for GASB 75

The net OPEB liability and asset information is reported within certain defined timeframes as listed below:

Reporting Date	June 30, 2024
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023

As of June 1, 2023, plan participants consisted of the following:

Retirees, beneficiaries, and dependents currently receiving benefits	4,313
Retirees eligible but not yet receiving benefits	118
Active members eligible for OPEB	3,923
Total	8,354

(d) Contributions

The Plan funding policy provides for periodic contributions by the County. The contributions rate as a percentage of covered payroll was 8.8%, and is authorized annually by the County Board of Supervisors to finance the costs

of benefits for plan members, with an additional amount to finance the unfunded accrued liability. Employees do not contribute to the Plan. Contributions for the year ended June 30, 2024 were \$37,402. For additional information see (k) below.

(e) Net OPEB Liability – Employer GASB 75

At June 30, 2024 the County's governmental activities, business-type activities and discrete component units reported net OPEB liabilities of \$125,102, \$1,988 and \$12,109 respectively.

(f) Actuarial Methods and Assumptions

The Net OPEB Liability (NOL) was measured as of June 30, 2023 and determined based on the total OPEB liability from actuarial valuations as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00%
Trend rates	County Health Plan Medical under 65: 6.00% in 2023/2024 graded down to 4.50% over 6 years. County Health Plan Medical 65 and over: 5.75% in 2023/2024 graded down to 4.50% over 5 years.
Other assumptions	Analysis of actuarial experience per the January 1, 2018 through December 31, 2020 Actuarial Experience Study dated October 15, 2021 for Sonoma County Employees' Retirement Association (SCERA)

(g) Investments

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rate of return for each major asset class, after deducting inflation, but before investment expenses, were used in the derivation of the long-term expected investment rate of return assumptions.

The following is the County's adopted asset allocation policy for OPEB as of June 2020, presented with the long-term expected real rate of return as of June 30, 2023 measurement date:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	30.00%	6.76%
Mid Cap U.S. Equity	4.00%	6.76%
Small Cap U.S. Equity	8.00%	6.76%
International Equity	8.00%	7.92%
Global Equity	6.00%	7.92%
U.S. Core Fixed Income	31.00%	1.46%
Alternatives	8.00%	3.56%
Cash	1.00%	0.56%
Real Estate	4.00%	3.46%
Total	100.00%	

(h) Discount Rate

The discount rate used to measure the total OPEB liability (TOL) was 6.50% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments.

(i) Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2023	\$ 274,539	\$ 113,506	\$ 161,033
Changes for the year:			
Service Cost	4,022	-	4,022
Interest	16,185	-	16,185
Differences between expected and actual experience	(17,915)	-	(17,915)
Changes of assumptions	28,222	-	28,222
Contributions – employer	-	45,378	(45,378)
Net investment income	-	7,247	(7,247)
Benefit payments	(29,247)	(29,247)	-
Administrative expense	-	(277)	277
Net changes	1,267	23,101	(21,834)
Balances at June 30, 2024	\$ 275,806	\$ 136,607	\$ 139,199

The schedule above reports the allocable share of employer net OPEB liability based on a measurement date of June 30, 2023 (GASB 75) and will not agree to the Fiduciary Plan net position presented in the Required Supplementary Information which is calculated based on a measurement date of June 30, 2024 (GASB 74). In addition, the Fiduciary plan net position includes Sonoma County Transportation Authority, a non-County entity, not included in above; this entity's position in the Plan is immaterial, therefore the Plan is not considered as a cost-sharing plan.

(j) Sensitivity of the Net OPEB Liability**Sensitivity of the Net OPEB Liability to Changes in Discount Rate**

The following presents the net OPEB liability as of June 30, 2024 calculated using the discount rate of 6.50%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	Current Discount Rate		
	1% Decrease (5.50%)	Rate (6.50%)	1% Increase (7.50%)
Governmental Activities	\$ 144,873	\$ 125,102	\$ 107,935
Business-Type Activities	2,291	1,988	1,728
Total Primary Government	147,164	127,090	109,663
Discrete Component Units	14,023	12,109	10,447
Total	\$ 161,187	\$ 139,199	\$ 120,110

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents net OPEB liability as of June 30, 2024, calculated using a trend rate of 1% higher, as well as what the County's net OPEB liability would be if it were calculated using a trend rate that is 1% lower than the current rate:

	1% Decrease (Trend -1%)	Current Trend Rate ⁽¹⁾	1% Increase (Trend +1%)
Governmental Activities	\$ 119,743	\$ 125,102	\$ 130,795
Business-Type Activities	1,910	1,988	2,072
Total Primary Government	121,653	127,090	132,867
Discrete Component Units	11,590	12,109	12,660
Total	\$ 133,243	\$ 139,199	\$ 145,527

(k) Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2024 the County recognized OPEB expense of \$9,020. The discrete component units recognized OPEB expense of \$840. At June 30, 2024, the County and its component units reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 384	\$ (6,417)
Changes in assumptions	10,659	(5,035)
Net difference between projected and actual earnings on plan investments	4,550	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,268	(1,781)
Contributions subsequent to the measurement date	33,618	-
Total Governmental Activities	50,479	(13,233)
Business-Type Activities		
Differences between expected and actual experience	5	(115)
Changes in assumptions	123	(89)
Net difference between projected and actual earnings on plan investments	80	-
Changes in proportion and differences between County contributions and proportionate share of contributions	260	(459)
Contributions subsequent to the measurement date	530	-
Total Business-Type Activities	998	(663)
Total Primary Government	\$ 51,477	\$ (13,896)
Discrete Component Units		
Differences between expected and actual experience	\$ 37	\$ (622)
Changes in assumptions	1,033	(487)
Net difference between projected and actual earnings on plan investments	440	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	917	(531)
Contributions subsequent to the measurement date	3,254	-
Total	\$ 5,681	\$ (1,640)

Contributions made subsequent to the measurement date are recorded as deferred outflows of resources related to OPEB and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025 and totaled \$34,148 for the County and \$3,254 for the discrete component units. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as follows:

Fiscal Year Ending June 30,	Governmental Activities ⁽¹⁾	Business- Type Activities ⁽¹⁾	Total Primary Government ⁽¹⁾	Discrete Component Units ⁽¹⁾
2025	\$ (3,143)	\$ (144)	\$ (3,287)	\$ (253)
2026	(734)	(115)	(849)	42
2027	4,604	(12)	4,592	608
2028	1,830	42	1,872	275
2029	1,071	34	1,105	115
Total	\$ 3,628	\$ (195)	\$ 3,433	\$ 787

⁽¹⁾brackets indicate negative expense

(l) OPEB Fiduciary Plan – GASB 74

The following information is provided for the OPEB plan in accordance with GASB 74. The OPEB Fiduciary Plan is the same Plan as reported above, however, the scope of GASB 74 includes the OPEB Fiduciary Trust. In addition, the reporting periods differ and, as such, the financial information is different. Certain information requiring footnote disclosure is repetitive.

The OPEB Plan is administered by the County and is presented in the statements of fiduciary net position and change in fiduciary net position. The net OPEB plan liability and asset information is reported within certain defined timeframes as listed below:

Reporting Date	June 30, 2024
Valuation Date	June 30, 2024
Measurement Date	June 30, 2024

At June 1, 2024, membership consisted of the following:

Retirees, beneficiaries, and dependents currently receiving benefits	3,354
Retirees eligible but not yet receiving benefits	123
Active members eligible for OPEB	4,173
Total	7,650

(m) Net OPEB Liability

Components of the net OPEB liability as of June 30, 2024:

Total OPEB liability	\$ 259,534
Plan's fiduciary net position	(158,175)
Net OPEB liability	\$ 101,359
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%

(n) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and OPEB members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and OPEB members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility

in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 with a measurement date of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00%
Other assumptions	Analysis of actuarial experience per the January 1, 2018 through December 31, 2020 Actuarial Experience Study dated October 15, 2021 for Sonoma County Employees' Retirement Association (SCERA)

(o) Investments

The following is the County's adopted asset allocation policy for OPEB as of June 2020, presented with the long-term expected real rate of return as of the June 30, 2024 measurement date:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	30.00%	6.49%
Mid Cap U.S. Equity	4.00%	6.49%
Small Cap U.S. Equity	8.00%	6.49%
International Equity	8.00%	7.33%
Global Equity	6.00%	7.33%
U.S. Core Fixed Income	31.00%	1.69%
Alternatives	8.00%	3.35%
Cash	1.00%	0.89%
Real Estate	4.00%	3.29%
Total	100.00%	

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense was 12.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the amounts actually invested.

(p) Discount Rate

The discount rate used to measure the total OPEB liability was 6.50% as of June 30 2024. The projection of cash flows used to determine the discount rate assumes employer contributions at 8.8% of future open group payroll. This rate is established annually through approval of the County's Budget. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members.

(q) Sensitivity of the Net OPEB Liability**Sensitivity of the Net OPEB Liability to Changes in Discount Rate**

The following presents the net OPEB liability as of June 30, 2024 calculated using the discount rate of 6.50%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$ 123,307	\$ 101,359	\$ 82,279

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following present the net OPEB liability as of June 30, 2024, calculated using health care cost trend rates of +1% higher, as well as calculated using health care cost trend rates that are 1% lower than the current rates:

1% Decrease (Trend -1%)	Current Trend Rates	1% Increase (Trend +1%)
\$ 95,407	\$ 101,359	\$ 107,810

NOTE 10 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. The County has established an internal service fund to account for and finance risks for workers' compensation, general liability, health insurance and medical malpractice. For general liability and workers' compensation claims, excess coverage is provided by the Public Risk Innovation, Solutions, and Management (Authority) (formerly known as California State Association of Counties Excess Insurance Authority CSAC-EIA), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its members, which include cities and counties in California, as well as numerous school districts, special districts, housing authorities, fire districts and other Joint Powers Authorities. The Authority's Board of Directors consists of representatives from its members.

The County retains the risk for the first \$300 of an individual claim for workers' compensation, and \$1,000 for a general liability claim. Amounts in excess of \$300 per occurrence for workers' compensation claims with statutory limits are covered through participation in the Authority's Excess Worker's Compensation Program. The County is covered under the Authority's Excess Liability Insurance Program for \$1,000 to \$35,000 per occurrence for liability claims.

The County maintains property coverages ranging from "All Risk" of physical loss or damage including flood and earthquake coverage (for certain structures) through participation in the Authority's Property Program with the following limits and deductibles: \$600,000 limit (shared) per occurrence and \$50 deductible for "All-Risk", \$225,000 limit (shared) per occurrence and \$100 deductible for flood (limits vary depending on flood zones) and earthquake limits of \$665,000 (shared) with a deductible of 2% of the building value (\$100 minimum). Boiler and machinery coverage is included in the All-Risk coverage.

The County also purchases coverage from the Authority's medical malpractice program with up to \$21,500 per event coverage and with a \$25 deductible. Funding for the purchased coverage is paid for by the beneficiary departments. The estimated liability in the internal services fund totaled zero as of June 30, 2024.

The Sonoma County Health Plan (CHP) provides self-insured medical plan options for County employees in addition to fully insured plans. The County retains the risk for the first \$275 of a health insurance claim with unlimited stop-loss coverage and no lifetime maximum per individual.

The governmental and certain proprietary fund types contribute amounts to the internal service fund based on actuarially determined estimates of the ultimate settlements. Such estimates are generally based upon a 70% confidence level. Contributions for the fiscal year ended June 30, 2024, totaled \$51,609, which is recorded in

the internal service fund as operating revenue. As of June 30, 2024, the estimated liability in the internal service fund totaled \$72,371 of which \$16,763 is estimated to be payable in the ensuing year. The remaining \$55,608 is classified as long-term, self-funded insurance payable in the internal service fund.

A summary of activity of the claims liability is as follows:

	Balance June 30, 2023	Balance June 30, 2024
Unpaid claims liability at beginning of year	\$ 60,628	\$ 68,296
Incurred claims	32,185	28,423
Claim payments	(24,517)	(24,348)
Unpaid claims liability at end of year	\$ 68,296	\$ 72,371

NOTE 11 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Integrated Waste Enterprise Fund follows the provisions of GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs. Under Statement No. 18, the Integrated Waste calculated the total estimated current cost of closure and postclosure care for its landfill accepting solid waste (Central) and those no longer accepting solid waste (Healdsburg and Annapolis).

As of June 30, 2024, the estimated closure and postclosure liability was \$6,124 for closed landfills Annapolis and Healdsburg. As part of the public-private partnership arrangement (PPP) effective April 1, 2015, Republic Services, Inc. has assumed responsibility for the completion of all closure and post-closure obligations related to the Central Landfill. Federal and state laws require landfill operators to place a cover on their landfills when closed and to perform certain maintenance and monitoring functions for up to 30 years after closure. The estimated cost of closure and postclosure care are subject to change due to variables such as inflation, changes in the cost of materials, revisions of Federal and state laws, changes in technology and other variables. In addition to the above, state regulations require that landfill closure and post-closure maintenance costs be fully funded at the time of closure, unless a landfill owner/operator can demonstrate financial responsibility towards these activities by using other approved financial assurance alternatives. As an alternative, on July 11, 2000, the Board of Supervisors approved two resolutions establishing financial assurance for post-closure maintenance and corrective action via 30 year agreements with the California Integrated Waste Management Board (CIWMB). The Annapolis Landfill agreement provides a pledged revenue of \$36 per year and Healdsburg Landfill agreement pledged \$78 per year. Both 30 year agreements are subject to adjustments in the cost estimate mutually agreed to by the County, the CIWMB, and the Regional Water Quality Control Board.

The estimated percentages of permitted landfill capacity used are as follows:

	Capacity Used	Closure Date
Annapolis	100%	1995
Healdsburg	100%	1989

The Integrated Waste Enterprise Fund performs all post-closure maintenance and monitoring functions at all closed landfills owned by Integrated Waste.

As a result of the SCA, the Integrated Waste Enterprise Fund has recognized a decreased closure/post-closure liability of \$42,057.

Although the Integrated Waste Enterprise Fund is not legally required by state or federal laws to provide funding for its landfill sites closed prior to 1991, the Integrated Waste Enterprise Fund has accepted final responsibility for these sites.

NOTE 12 – COMMITMENTS AND CONTINGENCIES**(a) Grants and Subsidies**

Receipts from federal, state and local sources are subject to audit by representatives of those agencies to determine if the monies were expended in accordance with appropriate statutes, grant terms, and regulations. Such audits could lead to a request for reimbursement to the grantor agencies. The County believes that no significant liabilities will be incurred as a result of these audits.

(b) Encumbrances

The County governmental funds had the following open encumbrances at June 30, 2024:

General Fund	\$	11,162
Other governmental funds		20,121
Total encumbrances for governmental funds	\$	31,283

(c) Other

The County from time to time is a party to various claims, legal actions, and complaints arising in the ordinary course of business. In the opinion of the County's administration, the various claims, legal actions, and complaints would have no material effect on the financial position of the County.

For additional information on the service concession arrangement see Note 13, for deferred amounts related to pension see Note 8, and for deferred amounts related to OPEB see Note 9.

NOTE 13 – SERVICE CONCESSION ARRANGEMENT

On April 23, 2013, the County entered into a Master Operations Agreement (MOA) with Republic Services, Inc. for the operation of the Central landfill and County transfer stations. The MOA between the County and Republic Services went into effect on April 1, 2015, and meets the criteria under GASB Statement No. 94 (GASB 94), *'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'* of a Service Concession Arrangement (SCA). The MOA grants Republic Services the ability to extend the agreement until the landfill is closed which is currently estimated at between 30 and 35 years. As consideration for the County granting Republic Services an exclusive right and concession to operate the County facilities for the Committed Waste Period, Republic Services has agreed to pay the County a quarterly County Concession Payment. The quarterly payment is based on a per ton charge on all waste that is received except for beneficial reuse material, special waste and residuals or waste delivered to the County facilities from any other processing or transfer facility in Sonoma County. The County Concession Payment shall be increased annually by the amount of the Consumer Price Index. Payments to the County under this agreement were \$5,827 during the fiscal year ended June 30, 2024.

Pursuant to a settlement agreement between the County and the committed cities, 8 of the 9 cities in the County agreed to commit their waste to Republic Services for 25 years. In addition, under the terms of the settlement agreement, the County is required to allocate 70% of the quarterly County Concession Payments received from Republic for the purpose of maintaining the four former urban landfills, with the remaining 30% to be used to cover Integrated Waste's administrative costs associated with those four landfills and overseeing the MOA. The quarterly payment will be paid for the duration of the MOA, however, the committed cities will not pay their portion of County Concession Payments attributable to maintaining the four former landfills for years 21 through 25 of the 25 year waste commitments.

Additionally, the MOA calls for Republic to assume the closure/post-closure liability in perpetuity for the Central landfill as of April 1, 2015 and to provide financial assurances mechanisms to demonstrate, fund, and maintain financial responsibility for the Central landfill as required by law including closure, post-closure, corrective action and operating liability acceptable to the California Department of Resources Recycling Recovery (CalRecycle). As a result, Integrated Waste recognized a closure/post-closure liability decrease in the amount of \$42,057 and

recorded a deferred inflow of \$41,710 as of June 30, 2015. The deferred inflow is being amortized over the estimated 30 year term of the MOA, and as a result, Integrated Waste recognized service concession arrangement revenues in the amount of \$1,390 for the fiscal year ended June 30, 2024. As part of the SCA, capital assets (equipment) with a net book value of \$278 were transferred to Republic Services, Inc.

The deferred inflows of resources activity is as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Deferred Inflows of Resources				
Central Landfill and County Transfer Stations	\$ 30,587	\$ -	\$ (1,390)	\$ 29,197

Integrated Waste retained certain capital assets related to the SCA. The assets carrying value, net of accumulated depreciation at June 30, 2024 is as follows:

Central Landfill and County Transfer Stations:

Land	\$ 2,538
Buildings and improvements	9,620
Intangibles	547
Equipment	165
SCA capital assets, net	\$ 12,870

NOTE 14 – SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND

On December 29, 2011, the California Supreme Court upheld Assembly Bill XI 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California and that the county (or another unit of local government) serve as the “successor agency” to hold the assets until they are distributed.

In accordance with the timeline set forth in the Bill, all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. The assets and activities of the dissolved former county redevelopment agency are currently reported in the Successor Agency Private-Purpose Trust Fund, a fiduciary fund in the County financial statements.

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	One Year
Redevelopment Successor Agency Tax allocation bonds payable*	\$ 7,325	\$ -	\$ (470)	\$ 6,855	\$ 485

* excludes bond premium amortization

On February 1, 2012, two Tax Allocation Bonds (Bonds); 1986 Series A, and the Springs Tax Allocation Bonds of 2008; were acquired from the former Sonoma County Community Redevelopment Agency. The Agency had pledged future tax increment revenues, less amounts required to be set aside pursuant to ABX1 26 and AB1484, for enforceable repayment. In August of 2014, the 1986 Series A bonds matured and were retired and on April 28, 2016, the Springs Tax Allocation Bonds were refunded and reissued as 2016 Tax Allocation Bonds.

The 2016 Bonds were issued in the amount of \$10,140 with interest rates from 2.0% to 5.0%, maturing on August 1, 2034. The 2016 Bonds are limited obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal and interest from, tax revenues which are deposited in the Redevelopment Property Tax Trust Fund and the Redevelopment Obligation Retirement Fund. The 2016 Bonds are not a debt of the County of Sonoma. Unamortized bond premium at June 30, 2024 is \$836.

The annual principal and interest requirements on the long-term bonds outstanding at June 30, 2024, are as follows:

Year ending June 30:	Principal	Interest	Total
2025	\$ 485	\$ 294	\$ 779
2026	505	269	774
2027	535	243	778
2028	565	215	780
2029	590	186	776
2030-2034	3,410	472	3,882
2035	765	11	776
Total	\$ 6,855	\$ 1,690	\$ 8,545

NOTE 15 – NET POSITION/FUND BALANCES**(a) Classification**

Fund balances at June 30, 2024 were classified as follows:

	General	Human Services Special Revenue	Health and Sanitation Special Revenue	Open Space Special Tax Account Special Revenue	Other Funds	Total
Nonspendable:						
Inventories	\$ 206	\$ -	\$ -	\$ -	\$ 805	\$ 1,011
Prepaid items and deposits	11,202	4,305	493	-	326	16,326
Advances	790	-	-	-	-	790
Total nonspendable fund balances	12,198	4,305	493	-	1,131	18,127
Restricted:						
Agricultural Preservation and Open Space District	-	-	-	69,469	-	69,469
Capital projects and equipment replacement	-	-	-	-	42,201	42,201
Debt service	-	-	-	-	4,579	4,579
Park donations, mitigations and operations	-	-	-	-	9,909	9,909
Courthouse/Criminal justice construction	-	-	-	-	3,206	3,206
Health services programs	-	-	190,322	-	26,850	217,172
Fire and emergency services	-	-	-	-	2,343	2,343
Public assistance	-	42,247	-	-	27,107	69,354
Lighting districts	-	-	-	-	13,201	13,201
Public protection	-	-	1,316	-	82,982	84,298
Clerk, recorder, assessor operations	-	-	-	-	4,057	4,057
Other programs	889	-	-	-	6,111	7,000
Total restricted fund balances	889	42,247	191,638	69,469	222,546	526,789
Committed:						
Road activities	-	-	-	-	3,423	3,423
Community Investment	-	-	-	-	10,693	10,693
Other programs	343	-	-	-	17,474	17,817
Total committed fund balances	343	-	-	-	31,590	31,933
Assigned:						
Capital projects and equipment replacement	16,091	-	-	-	126,346	142,437
Reserved purposes fund	57,076	-	-	-	-	57,076
Tribal development impact mitigation	47,060	-	-	-	-	47,060
Projected budget deficit	13,759	-	-	-	-	13,759
Fire settlement projects	18,689	-	-	-	-	18,689
Public protection	23,456	-	-	-	-	23,456
Employee health contributions	12,122	-	-	-	-	12,122
FEMA audit reserve	11,949	-	-	-	-	11,949
Redevelopment agencies	6,618	-	-	-	-	6,618
General services	14,813	-	-	-	-	14,813
Cannabis program	3,810	-	-	-	-	3,810
Community Infra Proj.	13,761	-	-	-	-	13,761
Other programs	33,051	-	-	-	-	33,051
Total assigned fund balances	272,255	-	-	-	126,346	398,601
Unassigned	63,610	-	-	-	-	63,610
Total fund balances	\$ 349,295	\$ 46,552	\$ 192,131	\$ 69,469	\$ 381,613	\$ 1,039,060

(b) Retained Deficits**Internal Service Funds**

The County's Employee Retirement Internal Service Fund has a retained deficit of \$277,635 at June 30, 2024. This fund is used to account for the County's pension related activities and includes the pension obligation bonds as well as the net pension liability and/or asset. The County funds contributions to the pension plan and debt service payments for the pension obligation bonds with charges collected from departments through bi-weekly payroll. Collections from departments are sufficient to cover the annual contributions to the pension plan and debt service payments but are not intended to build an asset balance in this fund. Consequently, this fund is expected to have a retained deficit until the pension obligation bonds are repaid and the pension plan is fully funded.

The County's Other Postemployment Benefits (OPEB) Internal Service Fund has a retained deficit of \$82,578 at June 30, 2024. This fund is used to account for the County's other postemployment benefit related activities and includes the net OPEB liability. The County funds contributions to OPEB with charges collected from departments through bi-weekly payroll, sufficient to cover the annual contributions to OPEB costs and contribute to the PARS OPEB trust to fund future OPEB payments. This fund is expected to have a retained deficit until the OPEB obligation is fully funded.

Private Purpose Trust Fund

The Private Purpose Trust Fund has a retained deficit of \$14,678 at June 30, 2024. This deficit is primarily due to the August 2020 assumption of Palm Drive Health Care District. At June 30, 2024, the District has \$11.3 million in debt service obligations which will be paid off over the next 10-11 years and an additional \$1.7 million in bankruptcy debt. This fund is expected to have a retained deficit until the debt and bankruptcy obligations are settled.

Required Supplementary Information (Unaudited)



**Schedule of County's Proportionate Share of the Net Pension Liability (Asset)
Last Ten Fiscal Years
(Dollars in Thousands)**

Measurement Date Reporting Date	12/31/2023 FY 2024	12/31/2022 FY 2023	12/31/2021 FY 2022	12/31/2020 FY 2021	12/31/2019 FY 2020	12/31/2018 FY 2019	12/31/2017 FY 2018	12/31/2016 FY 2017	12/31/2015 FY 2016	12/31/2014 FY 2015
Proportion of net pension liability (asset)	83.98%	84.09%	101.35%	81.59%	82.74%	84.64%	80.73%	84.27%	84.43%	81.66%
Proportionate share of net pension liability (asset)	\$ 209,171	\$ 347,412	\$ (62,139)	\$ 155,616	\$ 187,359	\$ 418,350	\$ 136,291	\$ 330,831	\$ 348,556	\$ 177,023
Covered payroll	\$ 360,858	\$ 338,949	\$ 332,953	\$ 323,263	\$ 295,896	\$ 300,515	\$ 300,546	\$ 285,864	\$ 271,061	\$ 262,325
Proportionate share of net pension liability (asset) as a percentage of covered payroll	57.96%	102.50%	(18.66%)	48.14%	63.32%	139.21%	45.35%	115.73%	128.59%	67.48%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.32%	88.47%	101.77%	94.16%	92.80%	83.91%	94.21%	86.02%	84.68%	91.46%

**Schedule of County Pension Contributions
Last Ten Fiscal Years
(Dollars in Thousands)**

Reporting Date	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Actuarially determined contributions	\$ 70,804	\$ 63,329	\$ 62,733	\$ 69,858	\$ 55,829	\$ 57,797	\$ 55,480	\$ 52,981	\$ 56,663	\$ 55,981
Contributions in relation to the actuarially determined contribution	75,398	65,227	68,329	71,669	62,551	57,797	55,480	52,981	60,216	55,981
Contribution deficiency (excess)	\$ (4,594)	\$ (1,898)	\$ (5,596)	\$ (1,811)	\$ (6,722)	\$ -	\$ -	\$ -	\$ (3,553)	\$ -
Covered payroll	\$ 386,675	\$ 344,005	\$ 336,023	\$ 329,911	\$ 313,806	\$ 307,543	\$ 302,281	\$ 293,871	\$ 288,885	\$ 265,945
Contributions as a percentage of covered payroll	19.50%	18.96%	20.33%	21.72%	19.93%	18.79%	18.35%	18.03%	20.84%	21.05%

Notes:

The information presented includes the funds and blended component units identified in this ACFR as part of the County of Sonoma and does not include information of the discrete component units or other Sonoma County Employee Retirement Association employers.

Schedule of County's Net OPEB Plan Liability and Related Ratios Last Ten Fiscal Years *

(Dollars in Thousands)

Reporting/Measurement Date:	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total OPEB liability	\$ 259,534	\$ 263,774	\$ 260,800	\$ 266,008	\$ 279,215	\$ 303,941	\$ 308,205	\$ 385,583
Plan's fiduciary net position	158,175	123,833	98,986	101,553	73,882	66,060	57,860	49,743
Net OPEB liability	\$ 101,359	\$ 139,941	\$ 161,814	\$ 164,455	\$ 205,333	\$ 237,881	\$ 250,345	\$ 335,840
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	46.95%	37.95%	38.18%	26.46%	21.73%	18.77%	12.90%
Covered payroll	\$ 427,721	\$ 381,937	\$ 369,909	\$ 364,433	\$ 334,716	\$ 327,816	\$ 330,039	\$ 321,401
Plan net OPEB liability as a percentage of covered payroll	23.70%	36.64%	43.74%	45.13%	61.35%	72.57%	75.85%	104.49%

Schedule of OPEB Plan Investment Returns Last Ten Fiscal Years *

Reporting/Measurement Date:	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.97%	8.80%	(12.84%)	26.86%	3.69%	7.61%	7.45%	11.47%

Schedule of County OPEB Contributions Last Ten Fiscal Years *

(Dollars in Thousands)

Reporting/Measurement Date:	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Actuarially determined contributions	\$ 12,759	\$ 13,687	\$ 13,602	\$ 15,787	\$ 17,532	\$ 18,206	\$ 18,938	\$ 21,653
Contributions in relation to the actuarially determined contributions	42,146	45,672	39,792	30,507	27,612	26,193	26,768	27,699
Contribution deficiency (excess)	\$ (29,387)	\$ (31,985)	\$ (26,190)	\$ (14,720)	\$ (10,080)	\$ (7,987)	\$ (7,830)	\$ (6,046)
Covered payroll	\$ 427,721	\$ 381,937	\$ 369,909	\$ 364,433	\$ 334,716	\$ 327,816	\$ 330,039	\$ 321,401
Contributions as a percentage of covered employee payroll	9.85%	11.96%	10.76%	8.37%	8.25%	7.99%	8.11%	8.62%

* The required supplementary Information is intended to show information for ten years. Additional years' information will be displayed as this information becomes available.

Notes:

The schedules above may not agree to the basic financial statements due to the Sonoma County Fair reporting on a calendar year which is different from the OPEB plan's fiscal year.

OPEB Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years *
(Dollars in Thousands)

Reporting/Measurement Date:	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total OPEB Liability								
Service Cost	\$ 4,184	\$ 4,045	\$ 4,294	\$ 4,462	\$ 5,148	\$ 5,468	\$ 10,852	\$ 13,800
Interest	16,665	16,279	16,640	17,722	19,375	19,667	14,566	12,579
Changes of benefit terms	(3,760)	(915)	-	-	-	(245)	-	-
Differences between expected and actual experience	(7,525)	320	262	(6,270)	(17,044)	(557)	3,210	(1,547)
Change due to reflecting the excise tax	-	-	-	-	-	-	-	2,351
Changes of assumptions	9,705	12,490	2,650	(6,715)	(10,194)	(6,404)	(83,838)	(28,454)
Benefit payments	(23,509)	(29,247)	(29,056)	(22,406)	(22,011)	(22,193)	(22,168)	(23,529)
Net change in total OPEB Liability	(4,240)	2,973	(5,208)	(13,207)	(24,726)	(4,264)	(77,378)	(24,800)
Total OPEB liability - beginning of year	263,774	260,800	266,008	279,215	303,941	308,205	385,583	410,383
Total OPEB liability - end of year (a)	\$ 259,534	\$ 263,774	\$ 260,800	\$ 266,008	\$ 279,215	\$ 303,941	\$ 308,205	\$ 385,583
Plan fiduciary net position								
Contributions – PARS	\$ 18,637	\$ 16,425	\$ 10,735	\$ 8,101	\$ 5,600	\$ 4,000	\$ 4,600	\$ 3,000
Contributions – Premiums net of retiree contributions	22,090	27,785	27,701	21,121	20,870	20,960	21,031	22,377
Contributions – Administrative	1,419	1,462	1,354	1,285	1,142	1,233	1,137	1,152
Contributions – Legal	-	-	-	-	-	-	-	217
Contributions – Total employer	42,146	45,672	39,790	30,507	27,612	26,193	26,768	26,746
Net investment income (loss)	16,038	8,700	(13,024)	19,815	2,435	4,395	3,699	4,817
Benefit payments – Premiums	(23,509)	(29,247)	(29,056)	(22,406)	(22,012)	(22,193)	(22,168)	(23,530)
Legal expense	-	-	-	-	-	-	-	(217)
Administrative expense	(333)	(278)	(277)	(245)	(213)	(195)	(182)	(153)
Net change in plan fiduciary net position	34,342	24,847	(2,567)	27,671	7,822	8,200	8,117	7,663
Plan fiduciary net position - beginning of year	123,833	98,986	101,553	73,882	66,060	57,860	49,743	42,080
Plan fiduciary net position - end of year (b)	158,175	123,833	98,986	101,553	73,882	66,060	57,860	49,743
County net OPEB liability, ending (a-b)	\$ 101,359	\$ 139,941	\$ 161,814	\$ 164,455	\$ 205,333	\$ 237,881	\$ 250,345	\$ 335,840

* The required supplementary Information is intended to show information for ten years. Additional years' information will be displayed as this information becomes available.



Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Revenues:				
Taxes	\$ 367,860	\$ 378,523	\$ 378,773	\$ 250
License, permit, and franchise fees	25,076	25,076	24,667	(409)
Fines, forfeitures and penalties	13,065	13,065	10,646	(2,419)
Use of money and property	5,200	5,306	23,186	17,880
Intergovernmental	121,979	166,700	136,636	(30,064)
Charges for services	57,553	57,953	52,538	(5,415)
Other	4,366	5,714	11,604	5,890
Total revenues	595,099	652,337	638,050	(14,287)
Expenditures:				
General government				
Board of Supervisors / County Administrator				
County Administrator	12,252	15,192	11,890	3,302
Board of Supervisors	7,015	8,277	7,721	556
Disaster Recovery and Resiliency	-	2	2	-
Auditor-Controller-Treasurer-Tax Collector	20,993	21,110	20,156	954
Recorder-Assessor				
Assessor	14,242	15,781	14,987	794
Registrar of Voters	7,529	7,194	6,716	478
County Counsel	13,076	13,410	13,409	1
Human Resources	14,215	14,687	13,352	1,335
Sonoma Public Infrastructure				
Administration	1,649	1,648	1,602	46
Facilities Development	14,244	15,396	15,138	258
Special Funds	106	106	100	6
Support Services	18,123	18,136	17,572	564
Economic Development Board	1,289	3,314	655	2,659
The Office of Equity	2,089	4,051	2,574	1,477
Information Systems	49,396	48,148	41,714	6,434
Disaster Recovery Division	543	30,270	13,789	16,481
Other general government	36,699	56,035	35,776	20,259
Total general government	213,460	272,757	217,153	55,604
Public protection				
Disaster Recovery	138	138	22	116
District Attorney	32,714	33,843	32,824	1,019
Public Defender	16,067	16,598	16,567	31
Court Support and Grand Jury	11,502	11,509	11,437	72
Probation	66,956	69,607	65,710	3,897
Permit & Resource Management				
Permit Sonoma	51,790	53,786	46,228	7,558
Resiliency Permit Center	1,313	1,313	499	814
Fire Prevention	375	375	347	28
Sheriff				
Law Enforcement	122,227	126,901	121,783	5,118
Detention	85,942	87,782	84,299	3,483
Agriculture / Weights & Measures	8,064	8,107	7,547	560
County Clerk Operations	898	903	839	64
Emergency Management	7,240	6,534	5,156	1,378
Fire Services	10,974	11,253	10,943	310

Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Independent Office of Law Enforcement				
Review and Outreach	2,086	2,724	2,513	211
Total public protection	418,286	431,373	406,714	24,659
Public ways and facilities				
Sonoma Public Infrastructure	545	3,111	2,671	440
Total public ways and facilities	545	3,111	2,671	440
Public assistance				
Health and sanitation	7,150	7,169	6,351	818
Human Services	275	345	345	-
Total public assistance	7,425	7,514	6,696	818
Education				
U.C. Cooperative Extension	1,308	1,523	1,255	268
Total education	1,308	1,523	1,255	268
Recreation and cultural services				
Regional Parks	33,666	35,065	33,653	1,412
Sonoma Public Infrastructure - Veterans Buildings	1,214	1,382	1,318	64
Total recreation and cultural services	34,880	36,447	34,971	1,476
Expenditures subtotal	675,904	752,725	669,460	83,265
Capital outlay	9,737	22,666	18,373	4,293
Debt service				
Principal	2,509	6,594	6,590	4
Interest and other	251	683	681	2
Reimbursements	(146,698)	(150,350)	(135,606)	(14,744)
Total expenditures	541,703	632,318	559,498	72,820
Excess (deficiency) of revenues over (under) expenditures	53,396	20,019	78,552	58,533
Other financing sources (uses):				
Transfers in	126,625	169,461	150,712	(18,749)
Transfers out	(196,175)	(273,231)	(239,106)	34,125
Lease Inception	-	2,012	2,013	1
Issuance of long-term debt	-	1,775	2,056	281
Sale of capital assets	502	507	755	248
Other financing uses	(29,090)	(14,858)	-	14,858
SBITA inception	-	2,362	2,362	-
Total other financing sources (uses)	(98,138)	(111,972)	(81,208)	30,764
Net change in fund balances	\$ (44,742)	\$ (91,953)	(2,656)	\$ 89,297
GAAP basis difference - encumbrances			11,162	
Fund balance, beginning of year			340,789	
Fund balance, end of year			\$ 349,295	

⁽¹⁾ See note 2 in Notes to Required Supplementary Information section

**Budgetary Comparison Schedule
Human Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
License, permit, and franchise fees	\$ 100	\$ 100	\$ 57	\$ (43)
Fines, forfeitures and penalties	-	-	38	38
Use of money and property	58	58	1,762	1,704
Intergovernmental	230,125	249,035	226,235	(22,800)
Charges for services	1,432	1,432	1,601	169
Other	3,365	3,365	4,419	1,054
Total revenues	235,080	253,990	234,112	(19,878)
Expenditures:				
Public assistance				
Human Services				
Program Administration	297,858	307,510	292,115	15,395
Special Revenue	48,651	53,751	48,907	4,844
Total public assistance	346,509	361,261	341,022	20,239
Capital outlay	712	3,207	2,428	779
Debt service				
Principal	-	5,031	5,031	-
Interest and other	-	530	530	-
Reimbursements	(82,572)	(83,187)	(86,627)	3,440
Total expenditures	264,649	286,842	262,384	24,458
Excess (deficiency) of revenues over (under) expenditures	(29,569)	(32,852)	(28,272)	4,580
Other financing sources (uses):				
Transfers in	30,651	31,348	29,557	(1,791)
Transfers out	(1,082)	(1,082)	(524)	558
Lease Inception	-	1,951	1,951	-
Total other financing sources (uses)	29,569	32,217	30,984	(1,233)
Net change in fund balances	\$ -	\$ (635)	2,712	\$ 3,347
Fund balance, beginning of year			43,840	
Fund balance, end of year			<u>\$ 46,552</u>	

Budgetary Comparison Schedule
Health and Sanitation Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Revenues:				
Taxes	\$ 31,049	\$ 31,683	\$ 31,001	\$ (682)
License, permit, and franchise fees	6,784	7,084	7,435	351
Fines, forfeitures and penalties	519	519	716	197
Use of money and property	296	296	8,019	7,723
Intergovernmental	132,408	165,223	164,341	(882)
Charges for services	3,806	3,806	4,048	242
Other	136	146	17,396	17,250
Total revenues	174,998	208,757	232,956	24,199
Expenditures:				
Public protection				
Health Services - Animal Services	183	183	-	183
Total public protection	183	183	-	183
Health and sanitation				
Health Services				
Administration	30,724	30,372	26,856	3,516
Behavioral Health	145,420	181,053	156,298	24,755
Public Health	73,642	126,423	87,625	38,798
Special Revenue	113,300	149,715	125,726	23,989
Total health and sanitation	363,086	487,563	396,505	91,058
Capital outlay	237	24,163	22,056	2,107
Debt service				
Principal	446	3,913	3,385	528
Interest and other	195	927	730	197
Reimbursements	(160,525)	(207,903)	(161,270)	(46,633)
Total expenditures	203,622	308,846	261,406	47,440
Excess (deficiency) of revenues over (under) expenditures	(28,624)	(100,089)	(28,450)	71,639
Other financing sources (uses):				
Transfers in	12,231	20,299	19,074	(1,225)
Transfers out	(464)	(5,181)	(3,264)	1,917
Lease Inception	-	22,896	21,051	(1,845)
Total other financing sources (uses)	11,767	38,014	36,861	(1,153)
Net change in fund balances	\$ (16,857)	\$ (62,075)	8,411	\$ 70,486
GAAP basis difference - encumbrances			3,578	
Fund balance, beginning of year			180,142	
Fund balance, end of year			<u>\$ 192,131</u>	

⁽¹⁾ See note 2 in Notes to Required Supplementary Information section

**Budgetary Comparison Schedule
Open Space Special Tax Account Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Revenues:				
Taxes	\$ 32,571	\$ 32,571	\$ 31,826	\$ (745)
Use of money and property	-	-	4,217	4,217
Total revenues	32,571	32,571	36,043	3,472
Expenditures:				
Recreation and cultural services	47,238	50,068	50,068	-
Total expenditures	47,238	50,068	50,068	-
Excess (deficiency) of revenues over (under) expenditures	(14,667)	(17,497)	(14,025)	3,472
Other financing sources (uses):				
Transfers out	(6,550)	(3,721)	(892)	2,829
Total other financing sources (uses)	(6,550)	(3,721)	(892)	2,829
Net change in fund balances	\$ (21,217)	\$ (21,218)	(14,917)	\$ 6,301
Fund balance, beginning of year			84,386	
Fund balance, end of year			<u>\$ 69,469</u>	

⁽¹⁾See note 2 in Notes to Required Supplementary Information section.

Notes to Required Supplementary Information June 30, 2024

NOTE 1 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

(a) Change of Assumptions

OPEB Plan amounts reported for the net OPEB liability decreased due primarily to lower-than-expected fund investment performance.

(b) Actuarial Methods and Assumptions

The methods and assumptions used to establish the actuarially determined contribution (ADC) through June 30, 2024 are noted below:

Valuation date	Actuarially determined contributions are based on the beginning of the applicable period
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll for total unfunded actuarial accrued liability
Remaining amortization period	
June 30, 2024 valuation	23 years (declining) for outstanding balance of the June 30, 2023 unfunded OPEB liability
June 30, 2023 valuation	24 years (declining) for outstanding balance of the June 30, 2022 unfunded OPEB liability
Asset valuation method	Fair value of assets
Actuarial assumptions	
Discount rate	6.50% net of OPEB plan investment expense, including inflation
Payroll growth	3.25%
Other assumptions	June 30, 2023 - Same as those used in the June 30, 2023 GAS 74 actuarial valuation dated October 12, 2023 June 30, 2022 - Same as those used in the June 30, 2022 GAS 74 actuarial valuation dated October 25, 2022

NOTE 2 – BUDGETARY AND LEGAL COMPLIANCE

The County adopts a budget for each fiscal year on or before October 2 in accordance with the provisions of Sections 29000 through 29144 and 30200 of the California Government Code and other statutory provisions, commonly known as the County Budget Act.

An operating budget is adopted each fiscal year for all Governmental Funds. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is controlled at the division level within fund level for the County. Appropriations at this level require a Board majority approval. Management may make adjustments below this level. State law prohibits expending governmental funds for which there is no legal appropriation except under court order, for an emergency as defined by statute, or as otherwise provided by law.

For the year ended June 30, 2024, no instances existed in which expenditures exceeded appropriations. Negative expenditure variances shown on budgetary comparison schedules are due to timing of budgeted vs actual reimbursements.

For purposes of budgetary presentation actual GAAP expenditures are typically adjusted to include current year encumbrances and interfund transfers. Encumbered appropriations are carried forward in the ensuing year's budget. Annual appropriations that have not been encumbered lapse at year-end. Reimbursements, which are included in actual GAAP expenditures, are separately stated for budgetary presentation.



Other Supplementary Information





NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are authorized by statutory provisions and are financed by specific taxes or other revenues. The following funds are included in the Special Revenue classification:

COMMUNITY INVESTMENT

Established to account for revenues generated by the County Transient Occupancy Tax. The fund finances both the Economic Development Department and the Community Investment Fund pursuant to Government Code Section 26100. Tax revenues are derived from a tax on the rental revenue of hotel, motel, bed and breakfast, inn beds, vacation rentals, and campgrounds in unincorporated areas of the County.

AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

Formed in 1990 for the purpose of preserving agricultural land and open space in Sonoma County, and financed primarily through a quarter-cent sales tax. The District is a separate legal entity governed by its Board of Directors, which is the County Board of Supervisors, ex officio (California Public Resources Code 5506.5(b)).

ROADS SPECIAL REVENUE

Restricted for the planning, design, construction, maintenance and administration of County roads. The Roads Special Revenue Fund is reimbursed by highway user tax (gas tax) distributions from the state, federal and state reimbursement for road-related construction and improvement projects, and by billing other County departments and non-county entities for time and materials spent on activities not related to roads.

MANDATED REVENUE

Established for state programs that are required to be accounted for in a special fund. Revenues are primarily restricted.

2011 REALIGNMENT

Established as required by Assembly Bill 109 which transferred responsibility from the State to the County for supervision, custody and needs of certain realigned offenders. The State realigned certain revenues from sales tax and vehicle license fees to fund the program.

SPECIAL DISTRICTS

Special Districts are independent units of local government organized to perform a single government function or a restricted number of related functions, including Fire and Emergency Services. This fund is governed by the Board of Supervisors, and used to account for the activities of Special Districts operating within the unincorporated area of the County.

CAPITAL PROJECTS FUND

Accounts for financial resources used for the acquisition or construction of major capital facilities, other than those financed in the proprietary fund types.

DEBT SERVICE FUND

Accounts for the accumulation of resources for, and the payment of, long-term debt.

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024
(Dollars in Thousands)**

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total
ASSETS				
Assets:				
Cash and investments	\$ 230,176	\$ 122,019	\$ -	\$ 352,195
Cash and investments with trustee	1	-	4,579	4,580
Receivables, net				
Accounts receivable	7,427	-	-	7,427
Interest receivable	2	-	-	2
Due from other funds	10,460	1	-	10,461
Inventories	805	-	-	805
Due from other governments	25,823	199	-	26,022
Lease receivables	1,168	-	-	1,168
Prepaid expenses and deposits	326	-	-	326
Total assets	\$ 276,188	\$ 122,219	\$ 4,579	\$ 402,986
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued salaries and benefits	\$ 8,458	\$ 2,800	\$ -	\$ 11,258
Due to other funds	2,831	-	-	2,831
Due to other governments	480	-	-	480
Advances from grantors and third parties	4,975	-	-	4,975
Deposits from others	8	-	-	8
Compensated absences	1	-	-	1
Other liabilities	350	-	-	350
Total liabilities	17,103	2,800	-	19,903
Deferred inflows of resources:				
Deferred amounts related to leases	1,102	-	-	1,102
Unavailable revenue	194	174	-	368
Total deferred inflows of resources	1,296	174	-	1,470
Fund balances:				
Nonspendable	1,131	-	-	1,131
Restricted	217,967	-	4,579	222,546
Committed	31,590	-	-	31,590
Assigned	7,101	119,245	-	126,346
Total fund balances	257,789	119,245	4,579	381,613
Total liabilities, deferred inflows of resources, and fund balances	\$ 276,188	\$ 122,219	\$ 4,579	\$ 402,986

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total
Revenues:				
Taxes	\$ 35,108	\$ -	\$ -	\$ 35,108
License, permit, and franchise fees	3,631	-	-	3,631
Fines, forfeitures and penalties	3,375	-	-	3,375
Use of money and property	13,430	3,678	303	17,411
Intergovernmental	154,649	2,608	-	157,257
Charges for services	5,365	-	-	5,365
Other	14,552	312	4,253	19,117
Total revenues	230,110	6,598	4,556	241,264
Expenditures:				
Current:				
General government	9,125	287	31	9,443
Public protection	62,701	-	-	62,701
Public ways and facilities	37,731	-	-	37,731
Health and sanitation	10,296	-	-	10,296
Public assistance	34,322	-	-	34,322
Recreation and cultural services	9,579	-	-	9,579
Capital outlay	100,448	18,795	-	119,243
Principal	759	-	8,985	9,744
Interest and other	82	-	1,965	2,047
Total expenditures	265,043	19,082	10,981	295,106
Excess (deficiency) of revenues over (under) expenditures	(34,933)	(12,484)	(6,425)	(53,842)
Other financing sources (uses):				
Transfers in	81,714	45,975	893	128,582
Transfers out	(31,949)	(8,696)	-	(40,645)
Sale of capital assets	7	-	-	7
Total other financing sources (uses)	49,772	37,279	893	87,944
Net change in fund balance	14,839	24,795	(5,532)	34,102
Fund balance, beginning of year	242,950	94,450	10,111	347,511
Fund balance, end of year	\$ 257,789	\$ 119,245	\$ 4,579	\$ 381,613

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024
(Dollars in Thousands)

	Community Investment	Agricultural Preservation and Open Space District	Roads Special Revenue	Mandated Revenue	2011 Realignment	Special Districts	Total
ASSETS							
Assets:							
Cash and investments	\$ 6,692	\$ 22,214	\$ 20,601	\$ 71,676	\$ 86,264	\$ 22,729	\$ 230,176
Cash and investments with trustee	-	-	-	1	-	-	1
Receivables, net							
Accounts receivable	4,501	-	2,303	621	-	2	7,427
Interest receivable	-	-	-	2	-	-	2
Due from other funds	-	-	-	-	10,460	-	10,460
Inventories	-	-	775	-	-	30	805
Due from other governments	-	159	9,632	587	12,806	2,639	25,823
Lease receivables	-	-	-	1,168	-	-	1,168
Prepaid items and deposits	41	33	82	140	-	30	326
Total assets	\$ 11,234	\$ 22,406	\$ 33,393	\$ 74,195	\$ 109,530	\$ 25,430	\$ 276,188
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued salaries and benefits	\$ 309	\$ 584	\$ 6,952	\$ 310	\$ 211	\$ 92	\$ 8,458
Due to other funds	-	-	-	-	2,831	-	2,831
Due to other governments	-	-	17	356	-	107	480
Advances from grantors and third parties	-	-	-	4,823	-	152	4,975
Deposits from others	-	-	-	8	-	-	8
Compensated absences	-	-	-	-	-	1	1
Other liabilities	-	-	350	-	-	-	350
Total liabilities	309	584	7,319	5,497	3,042	352	17,103
Deferred inflows of resources:							
Deferred amounts related to leases	-	-	-	1,102	-	-	1,102
Unavailable revenue	191	3	-	-	-	-	194
Total deferred inflows of resources	191	3	-	1,102	-	-	1,296
Fund balances:							
Nonspendable	41	33	857	140	-	60	1,131
Restricted	-	4,312	14,693	67,456	106,488	25,018	217,967
Committed	10,693	17,474	3,423	-	-	-	31,590
Assigned	-	-	7,101	-	-	-	7,101
Total fund balances	10,734	21,819	26,074	67,596	106,488	25,078	257,789
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,234	\$ 22,406	\$ 33,393	\$ 74,195	\$ 109,530	\$ 25,430	\$ 276,188

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Community Investment	Agricultural Preservation and Open Space District	Roads Special Revenue	Mandated Revenue	2011 Realignment	Special Districts	Total
Revenues:							
Taxes	\$ 22,535	\$ -	\$ -	\$ -	\$ -	\$ 12,573	\$ 35,108
License, permit, and franchise fees	-	-	1,125	2,506	-	-	3,631
Fines, forfeitures and penalties	-	-	237	3,138	-	-	3,375
Use of money and property	1,157	-	2,123	3,683	5,239	1,228	13,430
Intergovernmental	71	100	48,962	15,989	87,842	1,685	154,649
Charges for services	-	-	1,959	2,370	88	948	5,365
Other	1,851	2,389	2,225	262	7,466	359	14,552
Total revenues	25,614	2,489	56,631	27,948	100,635	16,793	230,110
Expenditures:							
Current:							
General government	9,001	-	-	124	-	-	9,125
Public protection	-	-	-	22,794	37,156	2,751	62,701
Public ways and facilities	-	-	36,985	6	-	740	37,731
Health and sanitation	-	-	-	-	10,296	-	10,296
Public assistance	-	-	-	-	32,833	1,489	34,322
Recreation and cultural services	-	9,388	-	-	-	191	9,579
Capital outlay	-	39,849	59,782	799	-	18	100,448
Debt service:							
Principal	155	236	-	359	-	9	759
Interest and other	3	1	-	77	-	1	82
Total expenditures	9,159	49,474	96,767	24,159	80,285	5,199	265,043
Excess (deficiency) of revenues over (under) expenditures	16,455	(46,985)	(40,136)	3,789	20,350	11,594	(34,933)
Other financing sources (uses):							
Transfers in	430	50,114	29,013	1,050	-	1,107	81,714
Transfers out	(18,340)	(19)	(61)	(2,561)	(156)	(10,812)	(31,949)
Sale of capital assets	-	-	-	7	-	-	7
Total other financing sources (uses)	(17,910)	50,095	28,952	(1,504)	(156)	(9,705)	49,772
Net change in fund balances	(1,455)	3,110	(11,184)	2,285	20,194	1,889	14,839
Fund balance, beginning of year	12,189	18,709	37,258	65,311	86,294	23,189	242,950
Fund balance, end of year	\$ 10,734	\$ 21,819	\$ 26,074	\$ 67,596	\$ 106,488	\$ 25,078	\$ 257,789

Budgetary Comparison Schedule
Community Investment Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,286	\$ 20,286	\$ 22,535	\$ 2,249
Use of money and property	-	-	1,157	1,157
Intergovernmental	-	71	71	-
Other	191	521	1,851	1,330
Total revenues	20,477	20,878	25,614	4,736
Expenditures:				
General government				
Community Investment Fund	2,273	2,981	2,611	370
Economic Development Board	7,520	8,675	7,955	720
Debt service:				
Principal	-	155	155	-
Interest and other	-	3	3	-
Reimbursements	(1,403)	(1,403)	(1,386)	(17)
Total expenditures	8,390	10,411	9,338	1,073
Excess (deficiency) of revenues over (under) expenditures	12,087	10,467	16,276	5,809
Other financing sources (uses):				
Transfers in	483	483	430	(53)
Transfers out	(17,973)	(18,487)	(18,340)	147
Total other financing sources (uses)	(17,490)	(18,004)	(17,910)	94
Net change in fund balances	(5,403)	(7,537)	(1,634)	5,903
GAAP basis difference - encumbrances			179	
Fund balance, beginning of year			12,189	
Fund balance, end of year			<u>\$ 10,734</u>	

Budgetary Comparison Schedule
Agricultural Preservation and Open Space District Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 155	\$ 155	\$ 969	\$ 814
Intergovernmental	50,083	51,283	50,168	(1,115)
Other	1,874	2,478	1,419	(1,059)
Total revenues	52,112	53,916	52,556	(1,360)
Expenditures:				
Recreation and cultural services	20,088	19,740	18,517	1,223
Capital outlay	32,485	39,942	39,942	-
Debt service				
Principal	-	236	236	-
Interest and other	-	1	1	-
Reimbursements	-	-	(1,148)	1,148
Total expenditures	52,573	59,919	57,548	2,371
Excess (deficiency) of revenues over (under) expenditures	(461)	(6,003)	(4,992)	1,011
Other financing sources (uses):				
Transfers in	994	994	559	(435)
Transfers out	(963)	(963)	(532)	431
Total other financing sources (uses)	31	31	27	(4)
Net change in fund balances	\$ (430)	\$ (5,972)	(4,965)	\$ 1,007
GAAP basis difference - encumbrances			8,075	
Fund balance, beginning of year			18,709	
Fund balance, end of year			<u>\$ 21,819</u>	

**Budgetary Comparison Schedule
Roads Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
License, permit, and franchise fees	\$ 1,391	\$ 1,391	\$ 1,125	\$ (266)
Fines, forfeitures and penalties	339	339	237	(102)
Use of money and property	524	524	2,123	1,599
Intergovernmental	54,184	54,956	48,962	(5,994)
Charges for services	1,948	1,948	1,959	11
Other	256	256	2,225	1,969
Total revenues	58,642	59,414	56,631	(2,783)
Expenditures:				
Public ways and facilities				
Roads Division	54,677	57,782	53,096	4,686
Capital outlay	63,786	64,932	59,782	5,150
Reimbursements	(17,972)	(17,972)	(15,491)	(2,481)
Total expenditures	100,491	104,742	97,387	7,355
Excess (deficiency) of revenues over (under) expenditures	(41,849)	(45,328)	(40,756)	4,572
Other financing sources (uses):				
Transfers in	28,099	31,255	30,652	(603)
Transfers out	(1,386)	(2,199)	(1,700)	499
Total other financing sources (uses)	26,713	29,056	28,952	(104)
Net change in fund balances	\$ (15,136)	\$ (16,272)	(11,804)	\$ 4,468
GAAP basis difference - encumbrances			620	
Fund balance, beginning of year			37,258	
Fund balance, end of year			<u>\$ 26,074</u>	

Budgetary Comparison Schedule
Mandated Revenues Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
License, permit and franchise fees	\$ 2,950	\$ 2,950	\$ 2,506	\$ (444)
Fines, forfeitures and penalties	3,687	3,687	3,138	(549)
Use of money and property	772	791	3,683	2,892
Intergovernmental	15,358	15,797	15,989	192
Charges for services	3,389	3,389	2,370	(1,019)
Other	392	392	262	(130)
Total revenues	26,548	27,006	27,948	942
Expenditures:				
General government				
Assessor	115	115	40	75
Sonoma Public Infrastructure - Tidelands Leases	296	422	86	336
Total general government	411	537	126	411
Public protection				
Recorder	3,725	4,017	3,529	488
Agriculture / Weights & Measures	78	78	46	32
Child Support Services	11,735	11,325	10,634	691
Court Support and Grand Jury	65	65	-	65
District Attorney	3,161	3,387	2,190	1,197
Fire Prevention	2,325	2,316	2,226	90
Permit Sonoma	1,410	1,410	591	819
Public Defender	645	645	552	93
Probation	3,541	3,766	1,927	1,839
Sheriff				
Law Enforcement	3,662	4,575	1,939	2,636
Total public protection	30,347	31,584	23,634	7,950
Public ways and facilities				
Sonoma Public Infrastructure Special Projects	41	41	29	12
Special Projects	500	549	55	494
Total public ways and facilities	541	590	84	506
Recreation and cultural services:				
Regional Parks Restricted Donations	-	300	-	300
Total recreation and cultural services	-	300	-	300
Capital outlay	140	2,109	799	1,310
Debt service				
Principal	-	359	359	-
Interest and other	-	77	77	-
Reimbursements	(277)	(277)	(206)	(71)
Total expenditures	31,162	35,279	24,873	10,406
Excess (deficiency) of revenues over (under) expenditures	(4,614)	(8,273)	3,075	11,348
Other financing sources (uses):				
Transfers in	591	2,208	1,124	(1,084)
Transfers out	(12,443)	(11,510)	(2,635)	8,875
Sale of capital assets	-	-	7	7
Total other financing sources (uses)	(11,852)	(9,302)	(1,504)	7,798
Net change in fund balances	\$ (16,466)	\$ (17,575)	1,571	\$ 19,146
GAAP basis difference - encumbrances			714	
Fund balance, beginning of year			65,311	
Fund balance, end of year			<u>\$ 67,596</u>	

Budgetary Comparison Schedule
2011 Realignment Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 369	\$ 369	\$ 5,239	\$ 4,870
Intergovernmental	81,415	85,815	87,842	2,027
Charges for services	-	-	88	88
Other	1,964	1,964	7,466	5,502
Total revenues	83,748	88,148	100,635	12,487
Expenditures:				
Public protection				
District Attorney	815	862	862	-
Probation	28,610	29,370	24,995	4,375
Public Defender	506	506	504	2
Sheriff				
Law Enforcement	11,177	11,177	9,701	1,476
Detention	1,006	1,094	1,094	-
Total public protection	42,114	43,009	37,156	5,853
Health and sanitation				
Health Services - Special revenue	18,381	21,926	10,296	11,630
Total health and sanitation	18,381	21,926	10,296	11,630
Public assistance				
Human Services - Special revenue	30,177	33,177	32,833	344
Total public assistance	30,177	33,177	32,833	344
Total expenditures	90,672	98,112	80,285	17,827
Excess (deficiency) of revenues over (under) expenditures	(6,924)	(9,964)	20,350	30,314
Transfers out	(165)	(165)	(156)	9
Total other financing sources (uses)	(165)	(165)	(156)	9
Net change in fund balances	\$ (7,089)	\$ (10,129)	20,194	\$ 30,323
Fund balance, beginning of year			86,294	
Fund balance, end of year			<u>\$ 106,488</u>	

**Budgetary Comparison Schedule
Special Districts Special Revenue Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 12,289	\$ 12,289	\$ 12,573	\$ 284
Use of money and property	104	104	1,228	1,124
Intergovernmental	3,071	3,119	1,685	(1,434)
Charges for services	1,410	1,410	948	(462)
Other	-	-	359	359
Total revenues	16,874	16,922	16,793	(129)
Expenditures:				
Public protection				
CSA #40 Fire Services District	262	362	183	179
Permit Sonoma Project - Fire Prevention	4,175	4,121	2,674	1,447
Rio Nido Geo Haz Abatement District	10	10	-	10
Total public protection	4,447	4,493	2,857	1,636
Public ways and facilities				
County Services Area #41				
Countywide Lighting	1,460	1,480	736	744
ALW Zone 5	10	10	-	10
Airport Business Center	59	59	-	59
Permanent Road Districts	220	220	25	195
Total public ways and facilities	1,749	1,769	761	1,008
Public assistance				
In Home Support Services Public Authority	1,228	1,568	1,495	73
Total public assistance	1,228	1,568	1,495	73
Recreation and cultural services:				
CSA #41 District Parks	199	199	190	9
Total recreation and cultural services:	199	199	190	9
Capital outlay	576	576	92	484
Debt service:				
Principal	-	9	9	-
Interest and other	-	1	1	-
Reimbursements	-	-	(17)	17
Total expenditures	8,199	8,615	5,388	3,227
Excess (deficiency) of revenues over (under) expenditures	8,675	8,307	11,405	3,098
Other financing sources (uses):				
Transfers in	1,353	1,340	1,107	(233)
Transfers out	(12,939)	(12,357)	(10,812)	1,545
Total other financing sources (uses)	(11,586)	(11,017)	(9,705)	1,312
Net change in fund balances	\$ (2,911)	\$ (2,710)	1,700	\$ 4,410
GAAP basis difference - encumbrances			189	
Fund balance, beginning of year			23,189	
Fund balance, end of year			<u>\$ 25,078</u>	

Budgetary Comparison Schedule
Capital Projects Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Revenues:				
Use of money and property	\$ 2	\$ 2	\$ 3,678	\$ 3,676
Intergovernmental	64,539	64,511	2,608	(61,903)
Other	3,298	4,016	312	(3,704)
Total revenues	67,839	68,529	6,598	(61,931)
Expenditures:				
General government				
Administration Center	947	845	318	527
Hall of Justice	121	120	10	110
Main Adult Detention Facility	58	58	-	58
Memorial Buildings	168	217	3	214
Misc. Capital Projects	1,704	2,178	23	2,155
Total general government	2,998	3,418	354	3,064
Capital outlay	104,387	152,060	28,074	123,986
Reimbursements	(192)	(192)	(45)	(147)
Total expenditures	107,193	155,286	28,383	126,903
Excess (deficiency) of revenues over (under) expenditures	(39,354)	(86,757)	(21,785)	64,972
Other financing sources (uses):				
Transfers in	44,595	72,909	49,536	(23,373)
Transfers out	(4,463)	(13,437)	(12,257)	1,180
Total other financing sources (uses)	40,132	59,472	37,279	(22,193)
Net change in fund balances	\$ 778	\$ (27,285)	15,494	\$ 42,779
GAAP basis difference - encumbrances			9,301	
Fund balance, beginning of year			94,450	
Fund balance, end of year			<u>\$ 119,245</u>	

⁽¹⁾ See note 2 in Notes to Required Supplementary Information section.

Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2024
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	-	-	303	303
Other	4,505	4,505	4,253	(252)
Total revenues	4,505	4,505	4,556	51
Expenditures:				
General Government	101	101	31	70
Debt service:				
Principal	8,905	8,905	8,985	(80)
Interest and other	2,050	2,050	1,965	85
Total expenditures	11,056	11,056	10,981	75
Excess (deficiency) of revenues over (under) expenditures	(6,551)	(6,551)	(6,425)	126
Other financing sources (uses):				
Transfers in	6,550	3,721	893	(2,828)
Total other financing sources (uses)	6,550	3,721	893	(2,828)
Net change in fund balances	\$ (1)	\$ (2,830)	(5,532)	\$ (2,702)
Fund balance, beginning of year			10,111	
Fund balance, end of year			<u>\$ 4,579</u>	

NONMAJOR ENTERPRISE FUNDS

FAIR

This fund was established to account for the activities of the Sonoma County Fair and Exposition, Inc. (the Fair), which operates through an agreement with the County to act as its agent with regard to the operation of the Sonoma County Fairgrounds.

MARINAS

The Marinas Enterprise Fund accounts for the operations of Spud Point Marina, Mason's Marina and the Sport Fishing Center located in Bodega Bay.

OTHER DISTRICTS

This fund was established to account for the activities of various small enterprise funds. Components of this fund are four small water systems within the County Service Area (CSA), including Fitch Mountain, Salmon Creek, Freestone, and Jenner, plus Sea Ranch Zone #2. The CSA zones provide water services and are under the control of the Board of Supervisors.

Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Fair	Marinas	Other Districts	Total
ASSETS				
Current assets:				
Cash and investments	\$ 7,948	\$ 867	\$ 1,951	\$ 10,766
Cash and investments with trustee	-	14	-	14
Restricted cash and investments	1,313	-	-	1,313
Accounts receivable	171	503	41	715
Inventories	-	93	-	93
Due from other governments	79	-	-	79
Prepaid expenses and deposits	-	19	-	19
Total current assets	9,511	1,496	1,992	12,999
Noncurrent assets:				
Capital assets:				
Nondepreciable	1,297	2,618	274	4,189
Depreciable, net	9,748	2,258	3,336	15,342
Total noncurrent assets	11,045	4,876	3,610	19,531
Total assets	20,556	6,372	5,602	32,530
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	1,126	116	-	1,242
Deferred amounts related to OPEB	273	101	-	374
Total deferred outflows of resources	1,399	217	-	1,616
LIABILITIES				
Current liabilities:				
Accounts payable	595	124	70	789
Due to other funds	-	-	14	14
Due to other governments	-	90	-	90
Deposits from others	77	175	-	252
Interest payable	-	-	6	6
Compensated absences	351	30	-	381
Advances from other governments	-	-	26	26
Other liabilities	87	191	-	278
Total current liabilities	1,110	610	116	1,836
Noncurrent portion of long-term liabilities:				
Advances from other funds	-	-	29	29
Advances from other governments	-	-	836	836
Net pension liabilities	1,540	221	-	1,761
Net OPEB liabilities	644	171	-	815
Total noncurrent liabilities	2,184	392	865	3,441
Total liabilities	3,294	1,002	981	5,277
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	160	19	-	179
Deferred amounts related to OPEB	426	38	-	464
Total deferred inflows of resources	586	57	-	643
NET POSITION				
Net investment in capital assets	11,046	4,876	2,748	18,670
Restricted for junior livestock auction	126	-	-	126
Restricted for capital asset maintenance	86	-	-	86
Restricted for endowment	1,000	-	-	1,000
Restricted - other	93	-	152	245
Unrestricted	5,724	654	1,721	8,099
Total net position	\$ 18,075	\$ 5,530	\$ 4,621	\$ 28,226

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Fair	Marinas	Other Districts	Total
Operating revenues:				
Charges for services	\$ -	\$ 1,142	\$ 1,200	\$ 2,342
Rents and concessions	11,289	1,093	-	12,382
Sales and miscellaneous	-	258	-	258
Total operating revenues	11,289	2,493	1,200	14,982
Operating expenses:				
Services and supplies	5,489	1,915	1,104	8,508
Salaries and employee benefits	5,703	788	-	6,491
Depreciation and amortization	871	141	205	1,217
Total operating expenses	12,063	2,844	1,309	16,216
Operating income (loss)	(774)	(351)	(109)	(1,234)
Nonoperating revenues (expenses):				
Investment income	81	19	95	195
Interest expense	-	-	(25)	(25)
Miscellaneous	777	-	-	777
Total nonoperating revenues (expenses)	858	19	70	947
Income (loss) before transfers	84	(332)	(39)	(287)
Transfers in	-	928	-	928
Transfers out	-	(2)	-	(2)
Change in net position	84	594	(39)	639
Net position, beginning of year	17,991	4,936	4,660	27,587
Net position, end of year	\$ 18,075	\$ 5,530	\$ 4,621	\$ 28,226

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Fair	Marinas	Other Districts	Total
Cash flows from operating activities:				
Received from customers	\$ 11,497	\$ 2,498	\$ 1,200	\$ 15,195
Payments to suppliers for goods and services	(5,750)	(1,803)	(1,069)	(8,622)
Payments to employees for services	(6,033)	(876)	-	(6,909)
Net cash provided (used) by operating activities	(286)	(181)	131	(336)
Cash flows from noncapital financing activities:				
Transfers in	-	928	-	928
Transfers out	-	(2)	-	(2)
Advances to other funds	-	-	(12)	(12)
Contributions	648	-	-	648
Net cash provided (used) by noncapital financing activities	648	926	(12)	1,562
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,287)	(88)	-	(1,375)
Principal paid on loans	-	(3)	-	(3)
Due from other governments	-	(20)	3	(17)
Advances to other governments	-	-	(25)	(25)
Interest paid	-	-	(28)	(28)
Net cash (used) by capital and related financing activities	(1,287)	(111)	(50)	(1,448)
Cash flows from investing activities:				
Interest received (loss) on investments	210	19	95	324
Net cash provided by (used in) investing activities	210	19	95	324
Net increase (decrease) in cash and cash equivalents	(715)	653	164	102
Cash and cash equivalents, beginning of year	9,976	228	1,787	11,991
Cash and cash equivalents, end of year	\$ 9,261	\$ 881	\$ 1,951	\$ 12,093
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (774)	\$ (351)	\$ (109)	\$ (1,234)
Depreciation and amortization	871	141	205	1,217
Net pension activity	(117)	(36)	-	(153)
Net OPEB activity	(250)	(54)	-	(304)
Changes in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	329	5	-	334
Inventories	-	(8)	-	(8)
Other assets	(38)	11	-	(27)
Increase (decrease) in:				
Accounts payable	(262)	89	35	(138)
Compensated absences	38	2	-	40
Other liabilities	(83)	20	-	(63)
Net cash provided (used) by operating activities	\$ (286)	\$ (181)	\$ 131	\$ (336)
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments	\$ 7,948	\$ 867	\$ 1,951	\$ 10,766
Cash and investments with trustee	-	14	-	14
Restricted cash and investments	1,313	-	-	1,313
Total cash and cash equivalents	\$ 9,261	\$ 881	\$ 1,951	\$ 12,093

INTERNAL SERVICE FUNDS

These funds account for the financing of goods or services provided by one department or agency to other departments or agencies within the County and to various other governmental agencies. They are exempt from legal compliance for budgetary control and follow economic resources measurement focus and accrual basis of accounting for a determination of operating, rather than budgetary, results. Their major source of revenue consists of charges to user departments for services rendered. These charges are based upon standard rates calculated on an estimated cost recovery basis. A more detailed description of the funds established and used by the County follows:

INSURANCE

This fund was established to account for the operations of the County's health and unemployment benefits, and insurance programs which include general liability, workers' compensation, property deductibles, and medical malpractice.

HEAVY EQUIPMENT REPLACEMENT

This fund was established for the dual purposes of (1) paying Sonoma Public Infrastructure Fleet Operations for the cost of heavy equipment maintenance and operations based on usage, and (2) accumulating funds for the future replacement of heavy equipment. Revenue is primarily derived from equipment rental charges to the Road Department, which utilizes the heavy equipment.

ENTERPRISE RESOURCE PLANNING SYSTEM

This fund was established to provide funding for the administration of the County's Human Resources Management and Enterprise Financial Systems. Costs associated with the administration of these global systems are allocated to departments that utilize the systems.

EMPLOYEE RETIREMENT

This fund was established to account for pension related activities related to governmental funds. It is used to collect charges from departments through bi-weekly payroll which are disbursed as contributions to the pension plan and debt service payments for the pension obligation bonds.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

This fund was established to account for other postemployment related activities related to governmental funds. It is used to collect charges from departments through bi-weekly payroll which are disbursed as contributions to the OPEB plan.

Internal Service Funds
Combining Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Insurance	Heavy Equipment Replacement	ERP System	Employee Retirement	Other Postemployment Benefits (OPEB)	Total
ASSETS						
Current assets:						
Cash and investments	\$ 86,635	\$ 3,014	\$ 10,984	\$ 26,243	\$ 4,149	\$ 131,025
Cash and investments with trustee	1,163	-	-	14	-	1,177
Accounts receivable, net	970	-	17	-	17	1,004
Due from other governments	298	-	-	-	-	298
Prepaid expenses	6	26	313	-	-	345
Total current assets	89,072	3,040	11,314	26,257	4,166	133,849
Noncurrent assets:						
Nondepreciable	-	323	-	-	-	323
Depreciable, net	-	7,019	2,099	-	-	9,118
Total noncurrent assets	-	7,342	2,099	-	-	9,441
Total assets	89,072	10,382	13,413	26,257	4,166	143,290
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amounts related to pensions	895	-	486	112,203	-	113,584
Deferred amounts related to OPEB	459	-	604	-	48,747	49,810
Total deferred outflows of resources	1,354	-	1,090	112,203	48,747	163,394
LIABILITIES						
Current liabilities:						
Accounts payable	1,343	120	76	6,215	211	7,965
Due to other funds	-	-	1,542	-	-	1,542
Interest payable	-	-	1	919	-	920
Compensated absences	284	-	125	-	-	409
Self-funded insurance	16,763	-	-	-	-	16,763
Lease & subscription liability	-	-	268	-	-	268
Bonds payable	-	-	-	23,935	-	23,935
Other liabilities	688	-	-	-	-	688
Total current liabilities	19,078	120	2,012	31,069	211	52,490
Noncurrent portion of long-term liabilities:						
Self-funded insurance	55,608	-	-	-	-	55,608
Compensated absences	137	-	57	-	-	194
Advances from other funds	-	-	661	-	-	661
Lease & subscription liability	-	-	496	-	-	496
Bonds payable	-	-	-	159,945	-	159,945
Net pension liabilities	1,522	-	608	201,943	-	204,073
Net OPEB liabilities	1,037	-	420	-	122,528	123,985
Total noncurrent liabilities	58,304	-	2,242	361,888	122,528	544,962
Total liabilities	77,382	120	4,254	392,957	122,739	597,452
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to pensions	297	-	103	23,138	-	23,538
Deferred amounts related to OPEB	211	-	94	-	12,752	13,057
Total deferred inflows of resources	508	-	197	23,138	12,752	36,595
NET POSITION						
Net investment in capital assets	-	7,342	1,335	-	-	8,677
Unrestricted (deficit)	12,536	2,920	8,717	(277,635)	(82,578)	(336,040)
Total net position (deficit)	\$ 12,536	\$ 10,262	\$ 10,052	\$ (277,635)	\$ (82,578)	\$ (327,363)

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Insurance	Heavy Equipment Replacement	ERP System	Employee Retirement	Other Postemployment Benefits (OPEB)	Total
Operating revenues:						
Charges for services	\$ 51,969	\$ -	\$ 12,320	\$ 109,501	\$ 37,899	\$ 211,689
Rents and concessions	-	2,865	-	-	-	2,865
Sales and miscellaneous	4,171	15	-	-	-	4,186
Total operating revenues	56,140	2,880	12,320	109,501	37,899	218,740
Operating expenses:						
Services and supplies	28,508	2,548	7,152	-	-	38,208
Salaries and employee benefits	4,885	-	2,381	54,060	3,305	64,631
Claim expenses	24,631	-	-	-	-	24,631
Depreciation and amortization	-	814	1,933	-	-	2,747
Total operating expenses	58,024	3,362	11,466	54,060	3,305	130,217
Operating income (loss)	(1,884)	(482)	854	55,441	34,594	88,523
Nonoperating revenues (expenses):						
Investment income	4,181	149	554	669	437	5,990
Interest expense	-	-	(8)	(11,559)	-	(11,567)
Gain on disposal of capital assets	-	119	-	-	-	119
Total nonoperating revenues (expenses)	4,181	268	546	(10,890)	437	(5,458)
Income (loss) before transfers	2,297	(214)	1,400	44,551	35,031	83,065
Transfers in	35	-	2	3,529	-	3,566
Transfers out	(16)	-	(158)	-	-	(174)
Change in net position	2,316	(214)	1,244	48,080	35,031	86,457
Net position (deficit), beginning of year	10,220	10,476	8,808	(325,715)	(117,609)	(413,820)
Net position (deficit), end of year	\$ 12,536	\$ 10,262	\$ 10,052	\$ (277,635)	\$ (82,578)	\$ (327,363)

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Insurance	Heavy Equipment Replacement	ERP System	Employee Retirement	Other Postemployment Benefits (OPEB)	Total
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 55,203	\$ 2,880	\$ 12,430	\$ 97,258	\$ 2,326	\$ 170,097
Payments to suppliers for goods and services	(54,191)	(2,541)	(7,150)	785	199	(62,898)
Payments to employees for services	(776)	-	(2,382)	(54,060)	(3,305)	(60,523)
Net cash provided (used) by operating activities	236	339	2,898	43,983	(780)	46,676
Cash flows from noncapital financing activities:						
Transfers in	35	-	2	3,529	-	3,566
Transfers out	(16)	-	(158)	-	-	(174)
Advances to other funds	-	-	(1,542)	-	-	(1,542)
Due to other governments	(143)	-	-	-	-	(143)
Principal paid on bonds	-	-	-	(21,065)	-	(21,065)
Interest paid	-	-	-	(11,665)	-	(11,665)
Net cash (used) by noncapital financing activities	(124)	-	(1,698)	(29,201)	-	(31,023)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	(1,666)	(346)	-	-	(2,012)
Interest paid	-	-	(9)	-	-	(9)
Net cash (used) by capital and related financing activities	-	(1,666)	(355)	-	-	(2,021)
Cash flows from investing activities:						
Interest received (loss) on investments	4,181	149	554	669	437	5,990
Net cash provided by investing activities	4,181	149	554	669	437	5,990
Net increase (decrease) in cash and cash equivalents	4,293	(1,178)	1,399	15,451	(343)	19,622
Cash and cash equivalents, beginning of year	83,505	4,192	9,585	10,806	4,492	112,580
Cash and cash equivalents, end of year	\$ 87,798	\$ 3,014	\$ 10,984	\$ 26,257	\$ 4,149	\$ 132,202
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (1,884)	\$ (482)	\$ 854	\$ 55,441	\$ 34,594	\$ 88,523
Depreciation and amortization	-	814	1,933	-	-	2,747
Net pension activity	(218)	-	106	(12,259)	-	(12,371)
Net OPEB activity	(302)	-	4	-	(35,565)	(35,863)
Changes in assets and liabilities:						
Decrease (increase) in:						
Accounts receivable	(417)	-	-	16	(8)	(409)
Prepaid expenses	(2)	(2)	(12)	-	-	(16)
Increase (decrease) in:						
Accounts payable	577	9	14	785	199	1,584
Compensated absences	34	-	(1)	-	-	33
Self-funded insurance	4,075	-	-	-	-	4,075
Other liabilities	(1,627)	-	-	-	-	(1,627)
Net cash provided (used) by operating activities	\$ 236	\$ 339	\$ 2,898	\$ 43,983	\$ (780)	\$ 46,676
Noncash investing, capital and financing activities:						
Right-to-use lease acquisitions	\$ -	\$ -	\$ 321	\$ -	\$ -	\$ 321
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Cash and investments	\$ 86,635	\$ 3,014	\$ 10,984	\$ 26,243	\$ 4,149	\$ 131,025
Cash and investments with trustee	1,163	-	-	14	-	1,177
Total cash and cash equivalents	\$ 87,798	\$ 3,014	\$ 10,984	\$ 26,257	\$ 4,149	\$ 132,202



NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

These nonmajor discretely presented component units account for the goods and services provided by these component units. See also Note 1 of the Basic Financial Statements:

SONOMA VALLEY COUNTY SANITATION DISTRICT

RUSSIAN RIVER COUNTY SANITATION DISTRICT

SOUTH PARK COUNTY SANITATION DISTRICT

OCCIDENTAL COUNTY SANITATION DISTRICT

Discretely Presented Nonmajor Component Units
Combining Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Sonoma Valley County Sanitation District	Russian River County Sanitation District	South Park County Sanitation District	Occidental County Sanitation District	Total
ASSETS					
Cash and investments	\$ 29,369	\$ 9,385	\$ 16,491	\$ 2,177	\$ 57,422
Restricted cash and investments	5,916	394	448	-	6,758
Receivables, net	1,557	461	87	128	2,233
Due from other governments	2,436	255	-	-	2,691
Prepaid expenses and deposits	18	-	-	5	23
Capital assets:					
Nondepreciable	16,160	3,508	545	720	20,933
Depreciable, net	71,729	18,328	17,273	3,745	111,075
Total assets	127,185	32,331	34,844	6,775	201,135
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	25	-	25
Total deferred outflows of resources	-	-	25	-	25
LIABILITIES					
Accounts payable and accrued liabilities	2,104	753	5	-	2,862
Interest payable	394	9	-	-	403
Long-term liabilities:					
Due within one year	1,587	339	203	-	2,129
Due in more than one year	22,120	785	2,442	-	25,347
Total liabilities	26,205	1,886	2,650	-	30,741
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	811	-	-	-	811
Total deferred inflows of resources	811	-	-	-	811
NET POSITION					
Net investment in capital assets	65,243	20,631	17,217	4,465	107,556
Restricted	2,383	394	445	-	3,222
Unrestricted	32,543	9,420	14,557	2,310	58,830
Total net position	\$ 100,169	\$ 30,445	\$ 32,219	\$ 6,775	\$ 169,608



**Discretely Presented Nonmajor Component Units
Combining Statement of Activities
For the Year Ended June 30, 2024
(Dollars in Thousands)**

	Program Revenues			
	Expenses	Services	Operating Grants and Contributions	Contributions
FUNCTION/PROGRAM ACTIVITIES:				
Component units:				
Sonoma Valley Sanitation District	\$ 17,696	\$ 20,209	\$ 1,904	\$ 2,638
Russian River Sanitation District	6,822	6,700	-	1,904
South Park Sanitation District	3,642	4,827	47	-
Occidental Sanitation District	1,382	553	300	800
Total component units	\$ 29,542	\$ 32,289	\$ 2,251	\$ 5,342
GENERAL REVENUES:				
Unrestricted investment earnings				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position						
Nonmajor Discrete Component Units						
Sonoma Valley County Sanitation District	Russian River County Sanitation District	South Park County Sanitation District	Occidental County Sanitation District	Total		
						FUNCTION/PROGRAM ACTIVITIES:
						Component units:
\$ 7,055	\$ -	\$ -	\$ -	\$ 7,055		Sonoma Valley Sanitation District
-	1,782	-	-	1,782		Russian River Sanitation District
-	-	1,232	-	1,232		South Park Sanitation District
-	-	-	271	271		Occidental Sanitation District
\$ 7,055	\$ 1,782	\$ 1,232	\$ 271	\$ 10,340		Total component units
						GENERAL REVENUES:
1,917	222	801	36	2,976		Unrestricted investment earnings
1,917	222	801	36	2,976		Total general revenues and transfers
8,972	2,004	2,033	307	13,316		Change in net position
91,197	28,441	30,186	6,468	156,292		Net position, beginning of year
\$ 100,169	\$ 30,445	\$ 32,219	\$ 6,775	\$ 169,608		Net position, end of year

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SCERA)

SCERA is a cost-sharing, multiple-employer Defined Benefit Pension Plan (Plan) legally separate entity from the County (Sonoma County).

OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST

The Plan is a single employer defined benefit plan which is administered by the County. The County established an OPEB trust with the Public Agency Retirement Services (PARS) in 2008 to accumulate resources to fund future benefit payments of the Plan.

Pension (and Other Employee Benefit) Trust Funds
Combining Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	Sonoma County Employees' Retirement Association (SCERA)	Other Postemployment Benefits (OPEB) Trust	Total Pension (and Other Employee Benefit) Trust Funds
ASSETS			
Cash and investments	\$ 2,004	\$ -	\$ 2,004
Restricted investments with trustee	183,538	-	183,538
Accounts receivable	95,825	-	95,825
Investments at fair value:			
Cash and equivalents	-	3,352	3,352
Mutual funds	-	116,923	116,923
Corporate obligations	158,255	13,394	171,649
Government obligations	229,522	24,506	254,028
Equities	2,027,716	-	2,027,716
Other investments	1,087,398	-	1,087,398
Total investments	3,502,891	158,175	3,661,066
Other assets	1,831	-	1,831
Total assets	3,786,089	158,175	3,944,264
LIABILITIES			
Accounts payable and other liabilities	3,176	-	3,176
Other liabilities	301,767	-	301,767
Total liabilities	304,943	-	304,943
NET POSITION (DEFICIT)			
Restricted for:			
Pension	3,481,146	-	3,481,146
Other postemployment benefits	-	158,175	158,175
Total net position (deficit)	\$ 3,481,146	\$ 158,175	\$ 3,639,321

Pension (and Other Employee Benefit) Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Sonoma County Employees' Retirement Association (SCERA)	Other Postemployment Benefits (OPEB) Trust	Total Pension (and Other Employee Benefit) Trust Funds
ADDITIONS			
Contributions:			
Employer contributions	\$ 78,412	\$ 40,152	\$ 118,564
Employee contributions	52,595	-	52,595
OPEB employer contributions outside of trust	-	1,994	1,994
Total contributions	131,007	42,146	173,153
Investment earnings (loss):			
Net increase (decrease) in fair value of investments	348,793	653	349,446
Interest, dividends, and other	70,604	15,385	85,989
Total investment earnings (loss)	419,397	16,038	435,435
Less investment costs:			
Investment expense	19,502	333	19,835
Net investment earnings (loss)	399,895	15,705	415,600
Miscellaneous	198	-	198
Total additions	531,100	57,851	588,951
DEDUCTIONS			
Benefits paid to participants or beneficiaries	212,793	20,096	232,889
Employer plan expense	3,003	-	3,003
OPEB employer expense outside of trust	-	1,994	1,994
Administrative expenses	3,790	1,419	5,209
Total deductions	219,586	23,509	243,095
Net increase (decrease) in fiduciary net position	311,514	34,342	345,856
Net position, beginning	3,169,632	123,833	3,293,465
Net position, ending	\$ 3,481,146	\$ 158,175	\$ 3,639,321

CUSTODIAL FUNDS

CUSTODIAL EXTERNAL INVESTMENT POOL FUNDS

External investment pool used to report custodial activities for participants that voluntarily deposit funds into the County's Treasury.

CMSP TRUST

County Medical Services Program (CMSP) was established in January 1983, when California law transferred responsibility for providing health care services to uninsured indigent adults from the State of California to California Counties. Thirty-five counties currently participate in CMSP. CMSP is governed by an independent governing board.

FIRE INSURANCE PROCEEDS

Accounting for Fire related private property debris removal program and insurance proceeds reimbursements collected on behalf of the State (Cal-OES) and Federal (FEMA) agencies.

OTHER EXTERNAL INVESTMENT POOL FUNDS

Conservator trusts, payments to benefit providers, and assistance programs.

OTHER CUSTODIAL FUNDS

Custodial activities for participants that are required by law to deposit funds into the County's Treasury.

MTC TRUST

Under Transportation Development Act of 1971 as administered by the Metropolitan Transportation Commission (MTC). Disbursements are made by the County upon receipt of allocation authorizations and disbursement instructions issued by the MTC.

TAXES

Tax collections, refunds, and apportionments due to others outside of the County.

SALES TAX

Sales tax collections and apportionments due to others outside of the County.

SPECIAL ASSESSMENT TRUST

The funding for this fund comes from a special assessment levied against property holders.

OTHER

Collections on behalf of other governments.

Custodial External Investment Pool Funds
Combining Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	CMSF Trust	Fire Insurance Proceeds	Other External Investment Pool Funds	Total
ASSETS				
Cash and investments	\$ 298,093	\$ 96,966	\$ 10,122	\$ 405,181
Restricted investments with trustee	-	-	1,467	1,467
Accounts receivable	-	-	41	41
Total assets	298,093	96,966	11,630	406,689
LIABILITIES				
Accounts payable and other liabilities	-	-	184	184
Due to other governments	-	92,591	-	92,591
Other liabilities	-	22	2,697	2,719
Total liabilities	-	92,613	2,881	95,494
NET POSITION				
Restricted for:				
Pool participants	298,093	4,353	8,749	311,195
Total net position	\$ 298,093	\$ 4,353	\$ 8,749	\$ 311,195

Custodial External Investment Pool Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	CMSF Trust	Fire Insurance Proceeds	Other External Investment Pool Funds	Total
ADDITIONS				
Investment earnings:				
Net increase (decrease) in fair value of investments	\$ 6,662	\$ 1,807	\$ 101	\$ 8,570
Interest, dividends, and other	9,881	2,992	39	12,912
Total investment earnings (loss)	16,543	4,799	140	21,482
Licenses and fees	-	-	84	84
Miscellaneous	-	-	83,514	83,514
Total additions	16,543	4,799	83,738	105,080
DEDUCTIONS				
Payments to other governments	27,734	-	82,838	110,572
Administrative expense	-	-	52	52
Total deductions	27,734	-	82,890	110,624
Net increase (decrease) in fiduciary net position	(11,191)	4,799	848	(5,544)
Net position, beginning	309,284	(446)	7,901	316,739
Net position, ending	\$ 298,093	\$ 4,353	\$ 8,749	\$ 311,195

Other Custodial Funds
Combining Statement of Net Position
June 30, 2024
(Dollars in Thousands)

	MTC Trust	Taxes	Sales Tax	Special Assessment Trust	Other	Total
ASSETS						
Cash and investments	\$ 33,578	\$ -	\$ -	\$ -	\$ -	\$ 33,578
Restricted investments with trustee	-	-	-	-	155	155
Accounts receivable	10,814	48,199	5,097	2,495	40,008	106,613
Due from other Govts	7,987	-	-	-	-	7,987
Other assets	-	128	-	-	801	929
Total assets	52,379	48,327	5,097	2,495	40,964	149,262
LIABILITIES						
Accounts payable and other liabilities	-	2,816	1,225	-	1,241	5,282
Due to other governments	2,300	8,483	-	-	942	11,725
Other liabilities	-	293	-	-	35,228	35,521
Total liabilities	2,300	11,592	1,225	-	37,411	52,528
NET POSITION (DEFICIT)						
Restricted for:						
Organizations and other governments	50,079	36,735	3,872	2,495	3,553	96,734
Total net position (deficit)	\$ 50,079	\$ 36,735	\$ 3,872	\$ 2,495	\$ 3,553	\$ 96,734

Other Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024
(Dollars in Thousands)

	MTC Trust	Taxes	Sales Tax	Special Assessment Trust	Other	Total
ADDITIONS						
Investment earnings (loss):						
Net increase (decrease) in fair value of investments	\$ 739	\$ 1,342	\$ 138	\$ 44	\$ 172	\$ 2,435
Interest, dividends, and other	1,242	933	103	88	111	2,477
Total investment earnings (loss)	1,981	2,275	241	132	283	4,912
Less investment costs:						
Investment expense	-	9	-	-	33	42
Net investment earnings (loss)	1,981	2,266	241	132	250	4,870
Property taxes	-	153,972	-	941	6,563	161,476
Other taxes	32,108	664	-	-	-	32,772
License and fees	-	(6,795)	62,551	5,746	10,383	71,885
Miscellaneous	2,758	(239)	1,099	(337)	15,177	18,458
Total additions	36,847	149,868	63,891	6,482	32,373	289,461
DEDUCTIONS						
Payments to other governments	30,142	145,140	63,282	6,248	28,168	272,980
Administrative expenses	-	-	-	-	2,475	2,475
Total deductions	30,142	145,140	63,282	6,248	30,643	275,455
Net increase (decrease) in fiduciary net position	6,705	4,728	609	234	1,730	14,006
Net position (deficit), beginning	43,374	32,007	3,263	2,261	1,823	82,728
Net position (deficit), ending	\$ 50,079	\$ 36,735	\$ 3,872	\$ 2,495	\$ 3,553	\$ 96,734





Statistical Section





STATISTICAL SECTION

(UNAUDITED)

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

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Net Position By Category (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)
(Accrual Basis of Accounting)

	2014-15 ⁽²⁾ as restated	2015-16	2016-17 ⁽³⁾ as restated	2017-18 ⁽⁴⁾ as restated	2018-19
Governmental activities					
Net investment in capital assets	\$ 1,113,783	\$ 1,163,262	\$ 1,192,407	\$ 1,208,423	\$ 1,251,617
Restricted	223,011	210,531	209,960	227,882	265,519
Unrestricted	(481,556)	(456,299)	(457,536)	(649,958)	(594,644)
Total governmental activities net position	\$ 855,238	\$ 917,494	\$ 944,831	\$ 786,347	\$ 922,492
Business-type activities					
Net investment in capital assets	137,860	145,735	155,959	162,020	150,286
Restricted	1,038	4,265	7,440	10,390	11,715
Unrestricted	8,695	7,058	(2,806)	(7,695)	6,541
Total business-type activities net position	\$ 147,593	\$ 157,058	\$ 160,593	\$ 164,715	\$ 168,542
Total government					
Net investment in capital assets	1,251,643	1,308,997	1,348,366	1,370,443	1,401,903
Restricted	224,049	214,796	217,400	238,272	277,234
Unrestricted	(472,861)	(449,241)	(460,342)	(657,653)	(588,103)
Total primary government net position	\$ 1,002,831	\$ 1,074,552	\$ 1,105,424	\$ 951,062	\$ 1,091,034

Notes:

⁽²⁾ FY 2014-15 Business-type activities net position was restated for SCEIP consolidation with Public Financing Authority Trust Funds (PFA)

⁽³⁾ FY 2016-17 net position was restated for the implementation of GASB 75 related to OPEB for the County)

⁽⁴⁾ FY2017-18 net position was restated for the implementation of GASB 75 related to OPEB for the Sonoma County Fair

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2019-20	2020-21	2021-22	2022-23	2023-24	
					Governmental activities
\$ 1,293,820	\$ 1,359,263	\$ 1,397,357	\$ 1,459,079	\$ 1,553,968	Net investment in capital assets
281,953	351,841	423,220	496,380	515,743	Restricted
(522,223)	(219,676)	(74,255)	(9,990)	99,781	Unrestricted
\$ 1,053,550	\$ 1,491,428	\$ 1,746,322	\$ 1,945,469	\$ 2,169,492	Total governmental activities net position
					Business-type activities
149,934	149,102	158,458	177,322	182,044	Net investment in capital assets
16,654	20,640	23,452	26,979	31,080	Restricted
8,109	13,197	26,224	19,730	26,086	Unrestricted
\$ 174,697	\$ 182,939	\$ 208,134	\$ 224,031	\$ 239,210	Total business-type activities net position
					Total government
1,443,754	1,508,365	1,555,815	1,636,401	1,736,012	Net investment in capital assets
298,607	372,481	446,672	523,359	546,823	Restricted
(514,114)	(206,479)	(48,031)	9,740	125,867	Unrestricted
\$ 1,228,247	\$ 1,674,367	\$ 1,954,456	\$ 2,169,500	\$ 2,408,702	Total primary government net position

Expenses By Function (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)
(Accrual Basis of Accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses					
Governmental activities					
General government	\$ 95,094	\$ 109,637	\$ 104,166	\$ 112,173	\$ 93,172
Public protection	272,963	281,574	310,466	306,078	331,051
Public ways and facilities	36,868	38,964	47,670	52,302	43,324
Health and sanitation	118,085	132,071	135,564	136,228	134,918
Public assistance	201,913	212,754	220,772	208,901	220,590
Education	1,020	1,056	1,118	1,122	1,182
Recreation and cultural services	14,482	16,004	33,174	33,943	27,355
Interest on long-term debt	37,598	35,344	29,136	28,219	26,295
Total governmental activities expenses	\$ 778,023	\$ 827,404	\$ 882,066	\$ 878,966	\$ 877,887
Business-type activities					
Integrated Waste	\$ 26,492	\$ 5,494	\$ 9,935	\$ 4,331	\$ 6,706
Airport	4,743	5,330	7,596	8,821	9,941
Energy Independence Program	2,566	2,581	2,458	2,253	2,299
Transit	16,762	17,923	18,816	19,309	20,252
Fair	13,645	10,661	7,199	11,495	10,818
Marinas	2,708	2,213	2,497	2,332	2,734
Other business-type activities	1,235	1,035	1,238	1,092	1,135
Total business-type activities expenses	\$ 68,151	\$ 45,237	\$ 49,739	\$ 49,633	\$ 53,885
Total primary government	\$ 778,091	\$ 872,641	\$ 931,805	\$ 928,599	\$ 931,772

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2019-20	2020-21	2021-22	2022-23	2023-24	
Expenses					
					Governmental activities
\$ 120,051	\$ 174,850	\$ 188,199	\$ 132,080	\$ 152,303	General government
326,507	315,399	324,378	379,172	391,851	Public protection
52,321	41,555	42,276	51,626	55,351	Public ways and facilities
124,539	126,113	150,633	191,818	235,938	Health and sanitation
213,416	211,766	222,131	266,560	274,084	Public assistance
1,237	1,047	1,049	1,673	1,412	Education
28,405	28,821	33,273	38,874	40,124	Recreation and cultural services
24,259	21,752	19,365	16,671	14,356	Interest on long-term debt
\$ 890,735	\$ 921,303	\$ 981,304	\$ 1,078,473	\$ 1,165,419	Total governmental activities expenses
Business-type activities					
\$ 4,971	\$ 5,500	\$ 5,968	\$ 6,846	\$ 8,407	Integrated Waste
10,844	11,028	12,342	13,688	13,814	Airport
2,306	2,417	2,056	1,918	1,898	Energy Independence Program
20,410	18,505	20,387	21,372	23,251	Transit
11,222	5,954	6,160	10,459	12,063	Fair
2,678	2,843	2,794	3,084	2,844	Marinas
1,050	1,104	1,440	1,142	1,334	Other business-type activities
\$ 53,481	\$ 47,351	\$ 51,147	\$ 58,509	\$ 63,611	Total business-type activities expenses
\$ 944,216	\$ 968,654	\$ 1,032,451	\$ 1,136,982	\$ 1,229,030	Total primary government

Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)
(Accrual Basis of Accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
Program Revenue					
Governmental activities					
Charges for services					
General government	\$ 41,223	\$ 52,021	\$ 40,057	\$ 38,026	\$ 40,737
Public protection	32,776	34,737	35,029	37,181	45,579
Public ways and facilities	371	395	407	4,025	3,766
Health and sanitation	6,780	6,501	13,938	12,583	10,842
Public assistance	8,190	9,173	3,499	1,544	1,421
Recreation and cultural services	4,640	5,193	5,763	5,577	5,992
Total charges for services	93,980	108,020	98,693	98,936	108,337
Operating grants and contributions	426,888	471,383	464,039	514,968	501,263
Capital grants and contributions	7,754	3,102	4,013	3,071	3,318
Total governmental activities	528,622	582,505	566,745	616,975	612,918
Business - type activities					
Charges for services					
Integrated Waste	29,343	7,380	6,661	7,223	7,619
Airport	4,589	4,935	5,764	7,053	6,888
Energy Independence Program	3,000	2,845	2,658	2,313	2,033
Transit	2,000	2,035	1,825	1,957	1,804
Fair	12,353	11,520	9,204	11,268	12,260
Marinas	2,858	2,145	2,343	2,264	2,396
Other business-type activities	1,106	1,078	1,158	1,233	803
Total charges for services	55,249	31,938	29,613	33,311	33,803
Operating grants and contributions	12,238	13,232	13,937	15,335	16,960
Capital grants and contributions	21,369	7,712	10,467	2,868	3,255
Total business - type activities program revenues	88,856	52,882	54,017	51,514	54,018
Total primary government program revenues	\$ 617,478	\$ 635,387	\$ 620,762	\$ 668,489	\$ 666,936
Net (Expense) Revenue					
Governmental activities	\$ (204,172)	\$ (249,401)	\$ (244,899)	\$ (315,321)	\$ (261,991)
Business - type activities	28,182	20,705	7,645	4,278	1,881
Total primary government net expenses	\$ (175,990)	\$ (228,696)	\$ (237,254)	\$ (311,043)	\$ (260,110)

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2019-20	2020-21	2021-22	2022-23	2023-24	
Program Revenue					
Governmental activities					
Charges for services					
\$ 43,365	\$ 43,588	\$ 45,322	\$ 52,007	\$ 50,162	General government
43,133	41,047	40,142	39,539	37,877	Public protection
4,503	4,601	5,379	4,867	4,259	Public ways and facilities
9,925	10,470	11,299	11,193	12,717	Health and sanitation
1,242	1,358	1,618	1,782	1,695	Public assistance
5,453	7,761	7,412	8,025	7,405	Recreation and cultural services
107,621	108,825	111,172	117,413	114,115	Total charges for services
510,514	633,524	651,763	608,609	680,469	Operating grants and contributions
2,143	3,681	4,635	4,905	4,010	Capital grants and contributions
620,278	746,030	767,570	730,927	798,594	Total governmental activities
Business - type activities					
Charges for services					
7,950	8,069	7,407	8,703	9,036	Integrated Waste
5,054	6,359	8,339	9,479	11,517	Airport
1,937	1,603	1,619	1,667	2,051	Energy Independence Program
1,180	212	791	938	858	Transit
11,230	5,131	8,668	11,006	11,289	Fair
2,467	2,882	2,878	2,836	2,493	Marinas
1,102	1,129	1,017	1,161	1,200	Other business-type activities
30,920	25,385	30,719	35,790	38,444	Total charges for services
180,729	21,099	23,639	25,399	18,779	Operating grants and contributions
5,357	6,195	18,753	8,237	11,060	Capital grants and contributions
55,006	52,679	73,111	69,426	68,283	Total business - type activities program revenues
\$ 675,284	\$ 798,709	\$ 840,681	\$ 800,353	\$ 866,877	Total primary government program revenues
Net (Expense) Revenue					
\$ (264,969)	\$ (175,273)	\$ (213,734)	\$ (347,546)	\$ (366,825)	Governmental activities
133	5,328	21,964	10,917	4,672	Business - type activities
\$ (264,836)	\$ (169,945)	\$ (191,770)	\$ (336,629)	\$ (362,153)	Total primary government net expenses

Net Expense By Function (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)
(Accrual Basis of Accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
Net (expense) revenue					
Governmental activities	\$ (249,401)	\$ (244,899)	\$ (315,321)	\$ (261,991)	\$ (264,969)
Business-type activities	20,705	7,645	4,278	1,881	133
Total primary government net expense	(228,696)	(237,254)	(311,043)	(260,110)	(264,836)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property	208,316	222,211	233,256	245,274	259,239
Documentary transfer	4,953	5,541	6,047	6,201	5,585
Transient occupancy	16,759	14,188	17,701	22,237	22,377
Grants and other governmental revenue not restricted to specific programs	39,153	40,686	42,813	48,721	53,018
Unrestricted investment earnings	6,157	8,331	7,778	10,907	22,758
Other	22,561	17,583	36,532	38,688	39,617
Transfers	(1,464)	(1,385)	(1,469)	(1,328)	(1,480)
Special/Extraordinary item	-	-	-	(1,367)	-
Total governmental activities	296,435	307,155	342,658	369,333	401,114
Business-type activities:					
Unrestricted investment earnings (loss)	25	370	367	868	2,283
Other	70	65	(25)	45	2,066
Transfers	1,464	1,385	1,469	1,328	1,480
Total business-type activities	1,559	1,820	1,811	2,241	5,829
Total primary government	\$ 297,994	\$ 308,975	\$ 344,469	\$ 372,941	\$ 406,943
Changes in net position:					
Governmental activities	47,034	62,256	27,337	107,342	136,145
Business-type activities	22,264	9,465	6,089	4,122	5,962
Total primary government	\$ 69,298	\$ 71,721	\$ 33,426	\$ 111,464	\$ 142,107

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2019-20	2020-21	2021-22	2022-23	2023-24	
					Net (expense) revenue
\$ (270,457)	\$ (175,273)	\$ (213,734)	\$ (347,546)	\$ (366,825)	Governmental activities
1,525	5,328	21,964	10,917	4,672	Business-type activities
(268,932)	(169,945)	(191,770)	(336,629)	(362,153)	Total primary government net expense
General revenues and other changes in net position:					
					Governmental activities:
					Taxes:
274,643	290,134	304,492	325,693	339,577	Property
6,817	9,071	9,378	6,124	5,870	Documentary transfer
16,234	24,289	32,830	29,507	30,048	Transient occupancy
55,566	66,463	95,805	102,480	101,216	Grants and other governmental revenue not restricted to specific programs
15,402	7,304	(23,419)	20,513	61,554	Unrestricted investment earnings
44,753	217,255	51,793	63,444	55,764	Other
(1,599)	(1,365)	(2,251)	(1,068)	(3,181)	Transfers
(10,301)	-	-	-	-	Special/Extraordinary item
411,816	613,151	468,628	546,693	590,848	Total governmental activities
					Business-type activities:
1,592	264	(1,980)	1,669	4,208	Unrestricted investment earnings (loss)
1,439	1,285	2,960	2,243	3,118	Other
1,599	1,365	2,251	1,068	3,181	Transfers
4,630	2,914	3,231	4,980	10,507	Total business-type activities
\$ 416,446	\$ 616,065	\$ 471,859	\$ 551,673	\$ 601,355	Total primary government
					Changes in net position:
131,058	437,878	254,894	199,147	224,023	Governmental activities
6,155	8,242	25,195	15,897	15,179	Business-type activities
\$ 137,213	\$ 446,120	\$ 280,089	\$ 215,044	\$ 239,202	Total primary government

Fund Balances of Governmental Funds (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)
(Accrual Basis of Accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund					
Nonspendable	\$ 12,074	\$ 14,673	\$ 12,974	\$ 11,306	\$ 8,966
Committed	90	3	3	5	15
Assigned	64,400	73,592	76,290	86,444	11,584
Unassigned	55,325	57,497	60,403	53,224	71,294
Subtotal General Fund	131,889	145,765	149,670	150,979	191,859
All Other Governmental Funds					
Nonspendable	5,456	4,326	3,973	3,771	3,763
Restricted	235,532	222,475	221,115	237,938	275,209
Committed	6,873	7,024	5,373	8,860	9,152
Assigned	31,309	48,785	42,193	46,980	46,491
Unassigned	(412)	-	-	-	-
Subtotal all other governmental funds	278,758	282,610	272,654	297,549	334,615
Total governmental fund balance	\$ 410,647	\$ 428,375	\$ 422,324	\$ 448,528	\$ 526,474

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2019-20	2020-21	2021-22	2022-23	2023-24	
					General Fund
\$ 11,037	\$ 8,457	\$ 9,074	\$ 13,683	\$ 12,198	Nonspendable
-	-	889	889	889	Restricted
14	124	153	311	343	Committed
146,306	276,514	202,488	270,906	272,255	Assigned
37,870	91,118	67,266	55,000	63,610	Unassigned
195,227	376,213	279,870	340,789	349,295	Subtotal General Fund
					All Other Governmental Funds
3,687	3,752	4,147	5,343	5,929	Nonspendable
289,226	364,392	433,770	506,870	525,900	Restricted
6,847	13,358	34,481	30,110	31,590	Committed
39,248	27,133	117,078	113,556	126,346	Assigned
339,008	408,635	589,836	655,879	689,765	Subtotal all other governmental funds
\$ 534,235	\$ 784,848	\$ 869,706	\$ 996,668	\$ 1,039,060	Total governmental fund balance

Changes in Fund Balances of Governmental Funds (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)
(Accrual Basis of Accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues (by source):					
Taxes	\$ 269,220	\$ 282,665	\$ 299,817	\$ 322,433	\$ 340,219
Licenses, permits and franchise fees	24,315	28,577	29,169	29,509	34,078
Fines, forfeitures and penalties	17,182	24,836	12,995	13,129	16,247
Use of money and property	5,954	7,561	7,130	9,632	19,058
Intergovernmental	432,396	469,363	468,052	518,038	504,581
Charges for services	52,483	54,607	56,529	56,299	58,012
Other	21,495	29,495	32,061	35,267	46,826
Total revenues	823,045	897,104	905,753	984,307	1,019,021
Expenditures (by function):					
Current:					
General government	97,029	108,126	99,429	114,791	88,279
Public protection	268,532	281,466	307,874	322,852	340,814
Public ways and facilities	29,197	30,496	39,023	33,607	35,228
Health and sanitation	122,444	135,081	137,342	146,623	141,141
Public assistance	210,166	218,413	224,976	225,460	231,592
Education	836	1,032	1,087	1,161	1,132
Recreation and cultural services	14,309	15,231	32,276	35,279	27,188
Capital outlay	39,679	39,986	52,458	59,425	58,318
Debt service:					
Principal	8,509	82,754	9,957	11,473	9,368
Interest	13,178	18,697	6,981	6,338	6,008
Total expenditures	803,879	931,282	911,403	957,009	939,068
Excess (deficiency) of revenues over (under) expenditures	19,166	(34,178)	(5,650)	27,298	79,953
Other financing sources (uses):					
Transfers in	86,587	143,129	80,486	97,898	121,415
Transfers out	(88,797)	(141,950)	(81,597)	(98,866)	(124,507)
Lease inception	-	-	-	-	-
Issuance of long-term debt	299	43,335	17,225	2,300	654
Premium on long term debt issuance	-	7,044	-	-	-
Sale of capital assets	390	348	551	1,080	431
Other financing sources/(uses)	-	-	(17,066)	-	-
Total other financing sources and uses	(1,521)	51,906	(401)	2,412	(2,007)
Special/Extraordinary item	-	-	-	(3,506)	-
Net change in fund balances	17,645	17,728	(6,051)	26,204	77,946
Fund balances, beginning of year, as restated	393,002	410,647	428,375	422,324	448,528
Fund balances, end of year	\$ 410,647	\$ 428,375	\$ 422,324	\$ 448,528	\$ 526,474
Debt service as a percentage of noncapital expenditures	2.84%	11.38%	1.97%	1.98%	1.75%

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2019-20	2020-21	2021-22	2022-23	2023-24	
					Revenues (by source):
\$ 353,260	\$ 389,957	\$ 442,505	\$ 463,804	\$ 476,708	Taxes
33,698	32,187	34,332	36,097	35,790	Licenses, permits and franchise fees
16,951	16,500	13,867	18,711	14,775	Fines, forfeitures and penalties
13,547	6,995	(19,608)	18,064	54,595	Use of money and property
512,657	637,215	656,398	613,514	684,469	Intergovernmental
56,972	60,138	62,973	62,605	63,552	Charges for services
29,921	222,792	50,903	62,596	52,536	Other
1,017,006	1,365,784	1,241,370	1,275,391	1,382,425	Total revenues
					Expenditures (by function):
					Current:
117,547	193,864	209,491	125,994	147,217	General government
350,655	360,635	366,833	376,577	411,072	Public protection
47,653	37,392	34,248	40,618	38,763	Public ways and facilities
136,668	147,393	169,754	190,572	248,303	Health and sanitation
234,557	247,687	251,907	266,661	289,062	Public assistance
1,187	1,169	1,173	1,461	1,249	Education
28,505	31,835	36,531	36,394	39,983	Recreation and cultural services
58,918	85,139	71,266	99,219	159,267	Capital outlay
9,753	22,574	21,543	24,732	24,750	Principal
5,506	5,509	4,667	4,326	3,988	Interest
990,949	1,133,197	1,167,413	1,166,554	1,363,654	Total expenditures
					Excess (deficiency) of revenues over (under) expenditures
26,057	232,587	73,957	108,837	18,771	
					Other financing sources (uses):
148,265	144,610	241,566	185,616	208,048	Transfers in
(156,760)	(145,754)	(248,709)	(175,764)	(214,622)	Transfers out
-	-	2,046	7,239	25,015	Lease inception
-	-	-	180	2,362	SBITA inception
-	66,636	-	-	2,056	Issuance of long-term debt
-	7,746	-	-	-	Premium on long term debt issuance
486	755	-	-	-	Sale of capital assets
-	(55,967)	15,998	854	762	Other financing sources/(uses)
(8,009)	18,026	10,901	18,125	23,621	Total other financing sources and uses
(10,287)	-	-	-	-	Special/Extraordinary item
7,761	250,613	84,858	126,962	42,392	Net change in fund balances
526,474	534,235	784,848	869,706	996,668	Fund balances, beginning of year, as restated
\$ 534,235	\$ 784,848	\$ 869,706	\$ 996,668	\$ 1,039,060	Fund balances, end of year
1.64%	2.68%	2.39%	2.72%	2.39%	Debt service as a percentage of noncapital expenditures

Assessed Value of Taxable Property (Unaudited) Last Ten Fiscal Years (Dollar Amounts in Thousands)

Fiscal Year	Secured ⁽¹⁾	Unsecured ⁽²⁾	Exempt ⁽³⁾	Total Taxable Assessed Value ⁽⁴⁾	Total Direct Tax Rate ⁽⁴⁾
2014-15	\$ 73,289,559	\$ 2,476,588	\$ (2,916,461)	\$ 72,849,686	1.00
2015-16	78,257,731	2,681,992	(3,116,014)	77,823,709	1.00
2016-17	82,727,351	2,659,027	(3,171,082)	82,215,296	1.00
2017-18	85,835,554	2,758,806	(3,139,460)	85,454,900	1.00
2018-19	90,472,427	2,908,430	(3,212,531)	90,168,326	1.00
2019-20	96,098,191	3,241,273	(3,502,462)	95,837,002	1.00
2020-21	101,928,048	3,538,887	(3,786,024)	101,680,911	1.00
2021-22	105,018,299	3,700,904	(3,724,094)	104,995,109	1.00
2022-23	112,010,885	3,934,834	(3,929,109)	112,016,610	1.00
2023-24	119,026,150	4,338,865	(4,218,880)	119,146,135	1.00

Notes:

⁽¹⁾ Secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.

⁽²⁾ Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.

⁽³⁾ Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

⁽⁴⁾ Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13) the County does not track the estimated actual value of all County properties. Under Prop 13 property is assessed at the 1978 market value with an annual increase limited to the lesser of 2%, the CPI on properties not involved in a change of ownership, or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Property Tax Rates - Direct and Overlapping Governments (Unaudited) Last Ten Fiscal Years

Fiscal Year	County Direct Rates ⁽¹⁾			Overlapping Rates ⁽¹⁾			Total
	County	Other	County Direct Rate	Cities ⁽²⁾	School Districts ⁽³⁾	Special Districts	
2014-15	0.21282	0.78718	1.0000	0.05700	0.02561	0.0117	1.09431
2015-16	0.21305	0.78695	1.0000	0.10700	0.0244	0.01263	1.14403
2016-17	0.21333	0.78667	1.0000	0.10700	0.02440	0.02440	1.1558
2017-18	0.21352	0.78648	1.0000	0.10700	0.02438	0.01152	1.14290
2018-19	0.21416	0.78584	1.0000	0.10700	0.02395	0.01298	1.14393
2019-20	0.2146	0.7854	1.0000	0.10700	0.02343	0.01317	1.14360
2020-21	0.21460	0.78540	1.0000	0.10700	0.0238	0.0129	1.14370
2021-22	0.21381	0.78619	1.0000	0.09800	0.02234	0.00997	1.13031
2022-23	0.21387	0.78613	1.0000	0.09800	0.02233	0.00983	1.13016
2023-24	0.21403	0.78597	1.0000	0.09800	0.02201	0.00977	1.12978

Notes:

⁽¹⁾ County Direct Rates are ad valorem taxes levied by the County as authorized by Article 13A of the Constitution of the state of California. Overlapping rates are taxes levied to service voter-approved debt of overlapping jurisdictions such as a school district or local city.

⁽²⁾ Rates represent the weighted average of the nine incorporated cities within the County of Sonoma.

⁽³⁾ Rates represent the weighted average of the various school district tax rate areas within the County of Sonoma.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Principal Revenue Taxpayers (Unaudited)
June 30, 2024 and June 30, 2015
(Dollar Amounts in Thousands)

Taxpayer	June 30, 2024:			June 30, 2015:		
	Total Taxes ⁽¹⁾	Rank	Percentage of Total County Taxes	Total Taxes ⁽¹⁾	Rank	Percentage of Total County Taxes
Pacific Gas & Electric Co.	\$ 28,225	1	1.97%	\$ 9,296	2	1.17%
Geysers Power Co. LLC	15,995	2	1.12	10,985	1	1.38
Keysight Technologies Inc.	4,189	3	0.29	2,144	3	0.27
Oaks & Olives LLC	2,625	4	0.18			
Foley Family Farms LLC	2,148	5	0.15			
Jackson Family Investments LLC	1,907	6	0.13			
Enclave Apartments Prop LLC	1,810	7	0.13			
CWI-Fairmon Sonoma Hotel	1,504	8	0.10	1,053	6	0.13
Pacific Bell	1,412	9	0.10	1,712	4	0.21
Foley Family Wines, inc.	1,268	10	0.09	861	9	0.11
Gallo Vineyards Inc.						
Ferrari-Carano Vineyards				1,129	5	0.14
EMI Stanta Rosa LTD				943	7	0.12
Silverado Sonoma Vineyard LLC				855	10	0.11
Constillation Wines Us Inc.				866	8	0.11
Sonoma Resort Holdings II LLC						
SR Office Properties LLC						
Total	\$ 61,083		4.26%	\$ 29,844		3.74%
Total taxes of all taxpayers ⁽²⁾	\$ 1,432,392			\$ 797,521		

Notes:

⁽¹⁾ Taxable Assessed Secured amounts.⁽²⁾ Obtained from Property Tax Statistics Summary.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Sonoma County Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2015

**Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years
(Dollar Amounts in Thousands)**

Fiscal Year	Taxes Levied ⁽¹⁾	Collections within the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2014-15	\$ 728,497	\$ 721,075	99.0%	\$ 7,088	\$ 728,163	100.0%
2015-16	778,237	770,592	99.0%	6,226	776,818	99.8%
2016-17	822,153	815,344	99.2%	8,951	824,296	100.3%
2017-18	852,241	844,872	99.1%	6,919	851,791	99.7%
2018-19	901,683	893,578	99.1%	9,995	903,573	100.2%
2019-20	958,370	946,295	98.7%	9,953	956,248	99.8%
2020-21	1,016,809	1,003,959	98.7%	10,752	1,014,711	99.8%
2021-22	1,049,951	1,036,501	98.7%	15,718	1,035,218	98.6%
2022-23	1,120,166	1,104,448	98.6%	11,536	1,104,448	98.6%
2023-24	1,191,461	1,166,063	97.9%	-	1,166,063	97.9%

Notes:

⁽¹⁾ Secured and unsecured tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.

⁽²⁾ Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Ratios of Outstanding Debt (Unaudited) Last Ten Fiscal Years (Dollars Amounts in Thousands)

Fiscal Year	Governmental Activities				
	Certificates of Participation	Bonds Payable	Pension Obligation Bonds	Notes Payable	Loans Payable
2014-15	\$ 25,384	\$ 84,020	\$ 443,565	\$ -	\$ 76,246
2015-16	22,356	48,865	425,250	-	74,490
2016-17	20,212	43,645	404,185	-	72,423
2017-18	16,538	38,180	379,925	3,360	69,633
2018-19	14,929	32,440	352,370	-	67,974
2019-20	13,170	26,406	321,415	-	66,485
2020-21	11,252	83,461	286,690	840	-
2021-22	9,189	73,631	247,880	-	-
2022-23	7,046	63,875	204,945	-	-
2023-24	4,920	54,890	183,880	-	-

Fiscal Year	Business-Type Activities			
	Energy Independence Bonds	Notes and Loans Payable	Advances From Other Governments	Landfill Closure and Postclosure ⁽⁴⁾
2014-15	\$ 42,449	\$ 8,419	\$ 9,817	\$ -
2015-16	38,250	7,217	8,799	4,834
2016-17	33,556	4,215	7,829	9,993
2017-18	30,307	448	6,595	9,831
2018-19	28,311	17,357	2,369	9,508
2019-20	25,128	16,857	1,985	NA
2020-21	23,356	17,146	1,632	NA
2021-22	23,695	16,160	1,267	NA
2022-23	27,189	15,206	887	NA
2023-24	31,904	14,713	862	NA

Fiscal Year	Ratios based on Total Primary Debt			
	Population ⁽¹⁾	Percentage of Assessed Value ⁽²⁾	Percentage of Personal Income	Per Capita ⁽³⁾
2014-15	496,253	0.96%	2.59%	1,388
2015-16	501,959	0.82%	2.37%	1,266
2016-17	505,120	0.73%	2.12%	1,200
2017-18	503,332	0.67%	2.00%	1,132
2018-19	500,675	0.60%	1.79%	1,076
2019-20	492,980	0.50%	1.45%	971
2020-21	484,207	0.47%	1.34%	988
2021-22	482,404	0.42%	1.11%	907
2022-23	478,174	0.37%	1.11%	873
2023-24	478,146	0.34%	1.01%	848

Notes:

⁽¹⁾ Population Estimate as of January 1, 2023

⁽²⁾ See the "Assessed Value of Taxable Property and Actual Value of Property" table for total taxable assessed value. Assessed value does not include tax exempt property.

⁽³⁾ See the "Demographic and Economic Statistics" table for population figures. Ratio is calculated using population for the latest calendar year for each corresponding fiscal year.

⁽⁴⁾ FY2019-20 long-term contract payable and Land fill closure and postclosure determined to be long-term liability not debt, noted as not applicable or NA.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Long-Term Contract Payable ⁽⁴⁾	Lease Liabilities	SBITA Liabilities	Financed Purchase Obligations	Unamortized Premiums	Subtotal	Fiscal Year
\$ -	\$ -	\$ -	\$ 3,390	\$ 3,234	\$ 635,839	2014-15
-	-	-	2,862	6,550	580,373	2015-16
-	-	-	2,419	5,623	548,507	2016-17
5,958	-	-	4,113	4,696	522,403	2017-18
5,296	-	-	4,407	3,913	481,329	2018-19
NA	-	-	3,937	3,130	434,543	2019-20
NA	-	-	3,380	9,826	395,449	2020-21
NA	84,892	-	2,907	8,777	427,276	2021-22
NA	83,989	4,121	2,353	7,728	374,057	2022-23
NA	99,274	4,384	3,929	6,678	357,955	2023-24

Subtotal	Total Primary Government	Fiscal Year
\$ 60,685	\$ 696,524	2014-15
59,100	639,473	2015-16
55,593	604,100	2016-17
47,181	569,584	2017-18
57,545	538,874	2018-19
43,970	478,513	2019-20
42,134	437,583	2020-21
41,122	468,398	2021-22
43,282	417,339	2022-23
47,479	405,434	2023-24

Computation of Legal Debt Margin (Unaudited) Last Ten Fiscal Years (Dollar Amounts in Thousands)

Fiscal Year	Assessed Value ⁽¹⁾	Legal Debt Limit ⁽²⁾	Debt Applicable to Limit ⁽³⁾	Legal Debt Margin ⁽⁴⁾	Legal Debt Margin/Debt Limit
2014-15	\$ 72,849,686	\$ 1,456,994	\$ -	\$ 1,456,994	100%
2015-16	77,823,709	1,556,474	-	1,556,474	100%
2016-17	82,215,296	1,644,306	-	1,644,306	100%
2017-18	85,454,900	1,709,098	-	1,709,098	100%
2018-19	90,168,326	1,803,367	-	1,803,367	100%
2019-20	95,837,002	1,916,740	-	1,916,740	100%
2020-21	101,680,911	2,033,618	-	2,033,618	100%
2021-22	104,995,109	2,099,902	-	2,099,902	100%
2022-23	112,016,610	2,240,332	-	2,240,332	100%
2023-24	119,146,135	2,382,923	-	2,382,923	100%

Notes:

⁽¹⁾ Assessed Value does not include tax exempt property. Property value data is located in the "Assessed Value of Taxable Property and Actual Value of Property" schedule.

⁽²⁾ Legal debt limit is 2.00% of assessed value.

⁽³⁾ Debt applicable to limit only includes general obligation bonds, of which the County has none.

⁽⁴⁾ Legal debt margin is the County's available borrowing authority under state finance statutes, and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Schedule of Direct and Overlapping Debt (Unaudited)

June 30, 2024

(Dollar Amounts in Thousands)

2023-24 Taxable Assessed Valuation: \$ 119,146,135

Overlapping Debt and Tax Assessment Debt ⁽¹⁾	Percentage Applicable to Sonoma County Taxable Assessed Valuation	Debt Outstanding
High School Districts	100%	\$ 382,718
Unified School Districts	100%	567,825
Elementary Districts	100%	414,974
Santa Rosa Junior College	100%	367,115
Sonoma County Water Agency	100%	57,440
Total Overlapping Debt and Tax Assessment Debt		\$ 1,790,072

Direct Debt ⁽¹⁾	Debt Outstanding	Percentage Applicable to Sonoma County Taxable Assessed Valuation	Debt Outstanding applicable to taxable assessed valuation
Sonoma County Certificates of Participation	\$ 4,920	100%	\$ 4,920
Sonoma County Bonds Payable	61,568	100%	61,568
Sonoma County Pension Obligation Bonds	183,880	100%	183,880
Sonoma County Notes Payable	-	100%	-
Sonoma County Lease Liabilities	99,274	100%	99,274
Sonoma County SBITA Liabilities	4,384	100%	4,384
Sonoma County Financed Purchase Obligations	3,929	100%	3,929
Total Direct Debt	\$ 357,955		\$ 357,955
Total Combined Overlapping and Direct Debt			\$ 2,148,027

Assessed Valuation Ratio:

Total Overlapping Tax and Assessment Debt	1.50%
Total Direct Debt	0.30%
Total Combined Overlapping and Direct Debt	1.80%

Notes:

⁽¹⁾ Direct debt is an obligation of the County whereas overlapping debt is an obligation of other governments within the geographic boundary of the County. Excludes tax and revenue anticipation notes.

Source:

Sonoma County Water Agency Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2023
Sonoma County Auditor-Controller-Treasurer-Tax Collector

Demographics and Economic Statistics (Unaudited) Last Ten Fiscal Years

Calendar Year	Estimated Population	Personal Income ⁽¹⁾	Per Capita Personal Income	School Enrollment	Unemployment Rate
2015	496,253	\$ 24,606,709	\$ 49,585	71,096	4.3%
2016	501,959	26,874,652	53,540	71,131	4.1%
2017	505,120	27,034,022	53,520	70,940	3.6%
2018	503,332	28,457,348	56,538	70,449	2.4%
2019	500,675	30,183,693	60,286	69,734	2.8%
2020	492,980	32,889,161	66,715	68,194	11.6%
2021	484,207	35,601,803	73,526	66,450	5.8%
2022	482,404	39,359,689	81,591	64,802	2.7%
2023	478,174	37,598,558	78,629	64,375	3.7%
2024	478,146	40,187,189	84,048	64,447	4.0%

Incorporated Cities Population:

Cloverdale	8,710
Cotati	7,303
Healdsburg	10,985
Petaluma	58,445
Rohnert Park	43,821
Santa Rosa	174,890
Sebastopol	7,295
Sonoma	10,532
Town of Windsor	25,394
Total Incorporated	347,375
Total Unincorporated Areas	130,771
Total Population	478,146

Notes:

⁽¹⁾ Personal Income of all County residents in thousands and estimated as of November 2024.

Sources:

California Department of Finance, E-1 Population Estimates for Cities, Counties, and the State - January 1, 2024

US Department of Commerce, Bureau of Economic Analysis - Regional Data of GDP and Personal Income (BEARFACTS); estimates based on November 2024

California Department of Education; Data Enrollment by Grade report for 2023-24

California Employment Development Department: Labor Force Statistics

Economic Development Dept. -Local Area Unemployment Map for Counties, as of June 2024

Major Employers (Unaudited) June 30, 2024 and June 30, 2015

Employer	June 30, 2024			June 30, 2015		
	Number of Employees	Rank	Percent of Total County Employment	Number of Employees	Rank	Percent of Total County Employment
County of Sonoma	4,170	1	1.73%	3,949	1	1.53%
Kaiser Permanente	3,995	2	1.66	2,640	3	1.03
Providence (Santa Rosa Memorial)	1,879	4	0.78	1,578	5	0.61
Santa Rosa City Schools	1,691	6	0.70	-	11	0.00
Keysight Technologies (Agilent)	1,700	5	0.71	1,300	6	0.51
Santa Rosa Junior College	2,975	3	1.23	3,552	2	1.38
City of Santa Rosa	1,279	7	0.53	1,250	7	0.49
Sonoma State University	1,089	9	0.45	1,033	8	0.40
Olivers Market	800	10	0.33	-	11	0.00
Medronic/Arterial Vasular Eng	682	11	0.28			
Graton Resort & Casino				2,000	4	0.78
Sutter Medical Center	1,196	8	0.50	936	9	0.36
Redwood Credit Union	620	12	0.26	870	10	0.34
Ten largest Employer's	22,076		9.16%	19,108		7.43%
All other employer's	218,824		90.84%	238,192		92.57%
Total Employees	240,900		100.00%	257,300		100.00%

Sources:

North Bay Business Journal Book of Lists (2023)

Sonoma State University Facts/Employee Demographics (as of fall 2023)

City of Santa Rosa ACFR (as of June 30, 2023)

State of California Employment Development Department: Labor Force Statistics

County of Sonoma Annual Comprehensive Financial Report 2014-2015

County Employees By Function (Unaudited) Last Ten Fiscal Years

FTE'S:	2014-15	2015-16	2016-17	2017-18	2018-19
General Government					
Board of Supervisors / County Administrator	37	39	38	45	57
General Services	119	111	110	107	102
County Clerk-Assessor-Recorder-PA	109	102	103	105	107
Auditor-Controller / Treasurer-Tax Collector	92	88	90	93	99
County Counsel	38	39	41	44	43
Human Resources	57	55	56	59	67
Information Systems	117	100	102	99	99
Economic Development	10	12	12	12	12
Public Protection					
District Attorney	121	115	122	126	125
Public Defender	49	49	51	51	50
Sheriff	635	603	625	624	611
Probation	286	291	267	262	262
Permit and Resource Management	108	105	112	133	151
Emergency Services	24	23	21	17	9
Child Support Services	98	85	85	87	84
Agricultural Commissioner	32	32	37	36	36
Northern Sonoma County Air Pollution Control	6	6	6	6	-
Public Assistance					
Human Services and IHSS	836	891	877	834	847
Health Services					
H.S.-Administration and other	75	66	65	82	76
Public Health	206	213	210	193	197
Mental Health	212	201	226	205	190
Alcohol, Drug & Tobacco	38	35	39	45	14
Special Revenue Funds	26	25	20	22	9
County Medical Services Program	39	31	30	17	20
Homelessness ⁽⁴⁾	-	-	-	-	-
Public Ways & Facilities					
Roads	124	118	113	117	121
Cultural & Recreational					
Regional Parks ⁽¹⁾	79	81	79	88	88
Agricultural Preservation and Open Space District	27	24	25	25	25
Education					
U.C. Cooperative Extension	5	5	5	4	5
Enterprise Funds					
Integrated Waste Enterprise Fund ⁽²⁾	40	9	10	8	9
Airport Enterprise Fund	14	15	16	16	18
Transit	6	5	5	5	5
Fairgrounds	36	27	25	27	27
Discrete Component Units					
Community Development Commission	36	39	43	41	46
Sonoma Water	212	215	228	222	224
Library ⁽³⁾	-	-	-	-	-
	3,949	3,855	3,894	3,857	3,835

Notes:

⁽¹⁾ Regional Parks extra help employees excluded after FY 2014-15.

⁽²⁾ Integrated Waste Enterprise Fund operation of the central landfill transferred to third party effective April 2016.

⁽³⁾ Library excluded from the Sonoma County ACFR after FY 2014-15 .

⁽⁴⁾ In FY 22-23 the Homelessness division was transferred from Community Development Commission (CDC) to the Department of Health Services.

Source:

Sonoma County Auditor Controller Treasurer Tax-Collector

2019-20	2020-21	2021-22	2022-23	2023-24	FTE'S:
					General Government
64	72	68	82	96	Board of Supervisors / County Administrator
103	98	95	93	86	General Services
101	98	101	108	110	County Clerk-Assessor-Recorder-PA
94	94	102	100	101	Auditor-Controller / Treasurer-Tax Collector
41	42	42	41	42	County Counsel
66	68	67	63	68	Human Resources
100	98	96	104	105	Information Systems
21	14	14	13	15	Economic Development
					Public Protection
121	122	126	130	130	District Attorney
52	49	52	53	60	Public Defender
608	595	567	550	613	Sheriff
269	251	240	235	245	Probation
139	154	154	158	176	Permit and Resource Management
12	10	12	9	13	Emergency Services
79	72	62	58	57	Child Support Services
35	33	36	34	34	Agricultural Commissioner
-	-	-	-	-	Northern Sonoma County Air Pollution Control
					Public Assistance
852	875	866	885	940	Human Services and IHSS
					Health Services
77	66	66	80	94	H.S.-Administration and other
200	195	188	221	238	Public Health
208	222	204	176	227	Mental Health
14	15	14	13	15	Alcohol, Drug & Tobacco
10	21	21	7	11	Special Revenue Funds
19	20	18	14	20	County Medical Services Program
-	-	-	23	31	Homelessness ⁽⁴⁾
					Public Ways & Facilities
124	123	127	126	127	Roads
					Cultural & Recreational
107	112	117	119	121	Regional Parks ⁽¹⁾
27	27	27	32	34	Agricultural Preservation and Open Space District
					Education
5	4	7	6	6	U.C. Cooperative Extension
					Enterprise Funds
10	10	11	12	13	Integrated Waste Enterprise Fund ⁽²⁾
18	18	18	18	21	Airport Enterprise Fund
6	6	6	5	6	Transit
24	13	18	25	23	Fairgrounds
					Discrete Component Units
44	36	50	50	45	Community Development Commission
222	227	235	247	247	Sonoma Water
-	-	-	-	-	Library ⁽³⁾
3,872	3,860	3,827	3,890	4,170	

Operating Indicators by Function/Program (Unaudited) Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2019-20
Function/Program					
Law & Justice					
Felonies and Misdemeanors Referred by Law Enforcement Agencies ⁽⁵⁾	2,706	2,229	2,370	2,553	-
Felonies and Misdemeanors Filed ⁽⁵⁾	-	149,121	99,714	30,572	-
Public Safety					
Fire Prevention Inspections ⁽¹⁾	1,417	1,321	1,393	1,737	-
Dispatch Calls - Sheriff	115,351	114,980	111,568	114,599	96,478
Adult Detention Facility Bookings - Sheriff	16,881	15,953	15,987	16,516	14,546
Juvenile Hall Average Daily Population	72	60	54	41	38
Health & Public Assistance					
Birth Certificates Registered - Health Services	5,224	5,380	4,997	4,715	4,559
Emergency Medical Responses - Health Services	55,157	50,567	66,680	70,310	-
Total Collections - Child Support Enforcement ⁽⁴⁾	29,038	31,063	34,120	35,220	33,987
Community Resources & Public Facilities					
Permit & Resource Management:					
Code Enforcement Cases	931	1,075	994	1,890	1,687
Customers Served (Public Counter)	35,649	33,458	-	-	-
Building Permits Issued	5,450	6,004	5,933	8,625	8,445
Integrated Waste					
Tonnage - Transportation & Public Works ⁽²⁾	266,913	292,867	297,282	1,216,047	323,030
Diverted Tonnage - Transportation & Public Works	119,566	102,302	85,696	85,365	101,275
Regional Parks					
Park Visitors	5,545,143	5,084,152	5,376,723	5,317,133	5,359,420
Veterans/Community Center: ⁽³⁾					
Events	1,910	2,912	3,793	1,583	1,357
Attendance	199,883	255,018	343,136	135,182	123,681

Notes:

⁽¹⁾ Fire Prevention Inspections added as an operating indicator FY 2014-15

⁽²⁾ Tonnage - Transportation & Public Works substantially higher due to October 2017 (FY 2017-18) fire damage waste collection

⁽³⁾ Veterans/Community Center only tracking Veteran buildings in Cotati, Guerneville, Petaluma, and Sonoma.

All other buildings are operated by 3rd party organizations without County involvement.

⁽⁴⁾ In thousands

⁽⁵⁾ Updated reporting to show Felonies and Misdemeanors referred and filed in FY 2021-22 due to changes in department reporting. Previously 'Filed Felonies/New Cases/New VOP' and 'Misdemeanor/Felony Court Appearances' – Long dash Indicates historical data not available at time of reporting, changed operating indicator, or statistics no longer available

Source:

Sonoma County Departments

2019-20	2020-21	2021-22	2022-23	2023-24	Function/Program
					Law & Justice
-	2,196	8,325	14,631	15,578	Felonies and Misdemeanors Referred by Law Enforcement Agencies ⁽⁵⁾
-	139,428	12,823	12,389	11,092	Felonies and Misdemeanors Filed ⁽⁵⁾
					Public Safety
-	-	-	-	-	Fire Prevention Inspections ⁽¹⁾
96,478	124,158	81,778	80,433	82,013	Dispatch Calls - Sheriff
14,546	17,903	9,614	12,333	12,896	Adult Detention Facility Bookings - Sheriff
38	90	23	42	60	Juvenile Hall Average Daily Population
					Health & Public Assistance
4,559	5,532	5,116	4,479	4,765	Birth Certificates Registered - Health Services
-	53,417	57,837	59,141	66,212	Emergency Medical Responses - Health Services
33,987	30,363	30,470	29,517	30,170	Total Collections - Child Support Enforcement ⁽⁴⁾
					Community Resources & Public Facilities
					Permit & Resource Management:
1,687	870	1,509	1,288	1,257	Code Enforcement Cases
-	33,988	16,736	29,122	21,239	Customers Served (Public Counter)
8,445	16,340	8,067	8,391	7,584	Building Permits Issued
					Integrated Waste
323,030	240,000	306,863	295,149	319,857	Tonnage - Transportation & Public Works ⁽²⁾
101,275	107,356	99,733	95,530	102,649	Diverted Tonnage - Transportation & Public Works
					Regional Parks
5,359,420	4,605,999	6,204,388	5,266,191	5,737,124	Park Visitors
					Veterans/Community Center: ⁽³⁾
1,357	4,145	791	990	1,280	Events
123,681	387,500	66,003	91,341	156,552	Attendance

Capital Assets Statistics By Function (Unaudited) Last Ten Fiscal Years

Function	2014-15	2015-16	2016-17	2017-18	2018-19
Sheriff:					
Stations	3	3	3	3	3
Sub-Stations ⁽²⁾	5	5	5	2	2
Patrol Units	161	157	159	146	148
Helicopter	1	1	1	1	1
Marine Craft	5	5	5	5	5
Streets And Highways:					
Streets (miles)	1,382	1,379	1,379	1,368	1,368
Bridges (longer than 20 feet)	332	328	328	328	328
Traffic Lights:					
Traffic Lights - County Only	38	38	40	38	38
Traffic Lights - Shared With Cities	3	3	3	3	1
Traffic Lights - Shared With State	30	30	30	30	31
Total Traffic Lights	71	71	73	71	70
Parks And Recreation:					
Acreage Open to Public ⁽¹⁾	9,403	11,037	11,036	11,071	12,556
Sonoma Water:					
Water Mains (miles) ⁽⁴⁾	90	90	90	89	89
Chlorination Facilities	3	3	3	3	3
Pumping Plants/Booster Stations ⁽⁵⁾	21	21	21	21	21
Production Wells	9	9	9	9	9
Tank Storage Capacity (thousands of gallons)	128,800	128,800	129,000	129,000	129,000
Sanitation:					
Sanitary Sewers (miles)	230	230	230	230	230
Treatment Capacity (millions of gallons)	13,439	13,439	13,439	13,439	-
Treatment Capacity (Avg. Daily Dry Weather Flow, MGD) ⁽³⁾	-	-	-	5	5
Transit:					
Fleet (including buses and vans)	80	83	80	83	83

Notes:

⁽¹⁾ 2011-12 Sonoma County Regional Parks assumed the management of Annadel State Park from the State of California. In 2013-14 the State of California reassumed management back from the County.

⁽²⁾ 2017-18 Roseland, Larkfield, and Amarosa sub-stations were closed

⁽³⁾ In 2017-18, changed measurement from thousands of gallons to millions of gallons per day. In FY 2023-2024 removed SRSZ North Plant as flows no longer on permits

⁽⁴⁾ Revised water main miles from 85 to 89 to reflect figures in the Sonoma Water Facility Guide and Local Hazard Mitigation Plan. Previous figures were based on the Urban Water Management Plan which indicated over 85 miles of water mains

⁽⁵⁾ To better reflect Water Transmission System assets, revised Number of Pumping Plants and Booster Stations to Number of Booster Stations. The Kastania Booster Station asset was transferred to Marin Municipal Water District in FY 2021/2022. Pumping plants are included under Production Wells.

Source:

Sonoma County Departments

2019-20	2020-21	2021-22	2022-23	2023-24	Function
					Sheriff:
3	3	3	3	3	Stations
2	2	2	2	2	Sub-Stations ⁽²⁾
-	-	-	-	-	Patrol Units
1	1	1	1	1	Helicopter
5	4	4	4	4	Marine Craft
					Streets And Highways:
1,368	1,369	1,369	1,369	1,369	Streets (miles)
328	327	325	326	320	Bridges (longer than 20 feet)
					Traffic Lights:
38	35	35	36	37	Traffic Lights - County Only
1	5	5	5	5	Traffic Lights - Shared With Cities
32	30	30	30	30	Traffic Lights - Shared With State
71	70	70	71	72	Total Traffic Lights
					Parks And Recreation:
8,976	9,218	10,887	10,887	11,789	Acreage Open to Public ⁽¹⁾
					Sonoma Water:
89	89	89	89	89	Water Mains (miles) ⁽⁴⁾
3	3	3	3	3	Chlorination Facilities
21	21	21	7	7	Pumping Plants/Booster Stations ⁽⁵⁾
9	9	9	16	16	Production Wells
129,000	129,000	129,000	129,000	129,000	Tank Storage Capacity (thousands of gallons)
					Sanitation:
273	273	271	271	271	Sanitary Sewers (miles)
-	-	-	-	-	Treatment Capacity (millions of gallons)
4.94	2.80	4.94	4.78	4.78	Treatment Capacity (Avg. Daily Dry Weather Flow, MGD) ⁽³⁾
					Transit:
86	81	78	78	78	Fleet (including buses and vans)



Glossary



ACCRUAL BASIS OF ACCOUNTING. Recording of revenues when earned and expenses at the time incurred regardless of when the cash is exchanged.

ACTUARIAL ACCRUED LIABILITY. The present value of projected future benefits earned by employees to date.

ACTUARIAL VALUATION. The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability or OPEB liability, and related actuarial present value of projected benefit payments performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

AMORTIZATION. (1) The portion of the cost of a limited-life or intangible asset charged as an expense (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR). Financial report that encompasses all funds and component units of the government. Includes three sections: 1) introductory 2) financial and 3) statistical, plus information on each individual fund and component unit. It is the County's official annual report and complies with finance-related legal and contractual provisions.

APPROPRIATION. Legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes usually limited in amount and the time it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSIGNED FUND BALANCE. Amounts constrained by the County's intent to be used for specific purposes, established at either the highest level of decision making, or by a body or an official designated for that purpose.

BASIC FINANCIAL STATEMENTS. Minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP.

BASIS OF ACCOUNTING. Term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BUSINESS-TYPE ACTIVITIES. One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

CAPITAL ASSETS. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITAL PROJECTS FUND. Fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CASH BASIS OF ACCOUNTING. Basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH EQUIVALENT. Short-term, liquid investments that are both (1) readily convertible to known amounts of cash and (2) so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. Program sponsored by the GFOA to encourage governments to publish ACFRs consistent with GFOA guidelines.

COMMITTED FUND BALANCE. Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner.

COMPONENT UNIT. Legally separate organization for which the elected officials of the primary government are financially accountable.

COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN. A Plan in which a single actuarial valuation and contribution rate apply to all participating employees.

COVERED PAYROLL. The payroll on which contributions to a pension or OPEB plan are based.

CUSTODIAL FUND. Fiduciary funds that are not required to be reported in Investment Trusts, OPEB, Pension or Private Purpose Trust funds.

DEBT SERVICE FUND. Fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFERRED INFLOWS OF RESOURCES. An acquisition of net assets applicable to a future reporting period.

DEFERRED OUTFLOWS OF RESOURCES. A consumption of net assets applicable to a future reporting period.

DEFINED BENEFIT PLAN. Plan having terms that specify the amount of benefits to be provided at or after separation from employment.

DISCOUNT RATE. The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments.

ENCUMBRANCES. Commitments related to unperformed contracts for goods or services.

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net position, debt service and capital outlays, intergovernmental grants, entitlements, and shared revenues.

EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the money of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio.

FAIR VALUE. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FIDUCIARY FUNDS. Category of funds used to report assets held in trustee capacity for others and therefore cannot be used to support the government's own programs.

FINANCIAL RESOURCES. Resources that are or will become available for spending, including cash and resources ordinarily expected to be converted to cash (e.g. receivables, investments).

FUND. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE. Net position of a governmental fund (difference between fund assets, and fund liabilities of governmental and similar trust funds).

FUND FINANCIAL STATEMENTS. Basic financial statements presented for funds, in contrast to government-wide financial statements.

GENERAL FUND. One of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources not accounted for in some other fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA). Association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. Sponsors the Certificate of Achievement for Excellence in Financial Reporting Program.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). Ultimate authoritative accounting and financial reporting standard setting body for state and local governments.

GOVERNMENTAL ACTIVITIES. Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of government funds: the general fund, special revenue fund, debt service funds, capital projects funds, and permanent funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two

basic government-wide financial statements: the statement of net position and the statement of activities.

IMPROVEMENT. An addition made to, or change made in a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

INFRASTRUCTURE. Long-lived capital assets normally stationary in nature and preserved for significantly more years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the Independent Auditors' Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS. Required supplementary information that introduces the basic financial statements and provides an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. Types of balances and related changes reported in a given set of financial statements.

NET INVESTMENT IN CAPITAL ASSETS. One of three components of net position reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes outstanding balances of bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

NET POSITION. The residual of all other elements presented in a statement of financial position.

NONSPENDABLE FUND BALANCE. Amounts that cannot be spent because they are either not spendable in form; or legally contractually required to be maintained intact.

OTHER FINANCING SOURCES. Current financial resources increase reported separately from revenue to avoid distorting revenue trends, such as long-term debt proceeds, proceeds from the sale of general fixed assets, and operating transfers in.

OTHER FINANCING USES. Current financial resources decrease reported separately from expenditures to avoid distorting expenditure trends, such as operating transfers out, and the amount of refunding bond proceeds deposited with the escrow agent.

OVERLAPPING DEBT. The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government.

PROPRIETARY FUND. Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the ACFR.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data or other information, which, according to the GASB, is necessary to supplement, although not required to be a part of, the general-purpose financial statements.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

RESTRICTED FUND BALANCE OR RESTRICTED NET POSITION. Amounts with constraints placed on use by creditors, grantors, contributors or laws or other governments regulations; or restrictions imposed by law through constitutional provisions or enabling legislation.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES. Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers.

RIGHT-TO-USE ASSET. A lessee's right to use an underlying asset over the lesser of the asset's useful life or term of the lease.

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1996 and Office of Management and Budget (Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. The Single Audit Act sets forth standards for the audit of non-Federal entities expending Federal awards.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require the use of special revenue funds when legally mandated.

UNASSIGNED FUND BALANCE. The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

UNRESTRICTED NET POSITION. That portion of net position that is neither restricted nor invested in capital assets (net of related debt).



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