CITY OF SONORA, CALIFORNIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

CITY OF SONORA, CALIFORNIA

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INDEPENDENT AUDITOR'S REPORT

To The City Council
City of Sonora
State Of California

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sonora, State of California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sonora, State of

California as of June 30, 2022, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sonora, State of California's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Gallagher Gatewood
GALLAGHER GATEWOOD, A PROFESSIONAL ACCOUNTANCY CORPORATION

Modesto, California
December 28, 2022

CITY OF SONORA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

This discussion and analysis of the City of Sonora's (City) financial performance for the fiscal year ended June 30, 2022, provides a narrative overview and comparison of current year to prior year ending results based on the government-wide statements to assist the reader in focusing on significant financial issues. Please read Management's Discussion and Analysis in conjunction with the City's financial statements, notes and supplementary schedules.

FINANCIAL HIGHLIGHTS

- The City's governmental activities total assets exceeded liabilities (net assets) at the close of the fiscal year by $15,923,696 a decrease of $68,310 from fiscal year 2021. This decrease is primarily due to status-quo budgets and the conservative fiscal policies of the City.

- General Fund revenues exceeded General Fund expenditures, including transfers, by $599,712. Revenues exceeded expenditures primarily due to receiving State and Local Fiscal Recovery Funds in 2022, of $581,786, without that funding and the chronically unfilled positions, the city would have been using fund balance for basic operations. City General Fund revenue totaled $9,617,389, including transfers in, and General Fund expenses totaled $9,017,677, including transfers out, for fiscal year 2022. Public safety (police and fire protection) costs comprised $5,030,392 or 56% of this amount.

- The City's General Fund ended the year with a fund balance of $3,496,243, an increase of $599,712 from the previous year. Including transfers in and out, revenues were $381,558 more than budgeted and Expenditures were $405,629 less than budgeted, the bulk of the unexpended funds were the result of budgeted, but unfilled positions.

- The formation of a Special Sales and Use Tax District (Measure I) was approved by City of Sonora voters in August 2004. The passing of Measure I increased the sales tax rate within the city limits by ½%. The sales tax increase provided $2,347,075 of revenue in 2022 versus $2,152,433 in 2021, an increase of $194,642. This revenue was used exclusively for the police, fire and public works departments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. These statements include all activities of the City of Sonora for the period July 1, 2021 through June 30, 2022 using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. The Statement of Net Assets and Statement of Activities

provide information about the activities of the City as a whole and present a long–term view of the City's finances. Fund financial statements show how City services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

REPORTING THE CITY AS A WHOLE

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole, providing readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All the current year's revenues and expenses are taken into account in the statement of activities regardless of when cash is received or paid.

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

The *statement of activities* presents information showing how the City's net assets changed in the most recent fiscal year. All changes of net assets are reported as soon as the underlying event giving rise to the change occurs. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years' reporting periods.

The City's governmental activities are reported in the government-wide financial statements. Governmental activities include police and fire protection, public works, community development (building and planning), grants and special programs, and general government. Sales tax, property tax, vehicle license fees, transient occupancy tax, user fees, franchise fees, other miscellaneous revenues and federal and state grants finance these activities.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant *funds*—not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state or federal law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other funding resources. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-

end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial resources that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. The differences of results in the governmental funds financial statements to those in the government-wide financial statements are shown in reconciliations following the governmental funds financial statements.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets

Net assets as noted earlier may serve over time as a useful indicator of the City's financial position. Below is a table showing the City's net assets as of June 30, 2022 and 2021.

City of Sonora
Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

			Total	
	2022	**2021**	**2022**	**2021**
Current and Other Assets	13,801,124	12,931,285	13,801,124	12,931,285
Capital Assets, Net of Acc Depreciation	17,460,424	16,763,974	17,460,424	16,763,974
Total Assets	31,261,548	29,695,259	31,261,548	29,695,259
Deferred Outflows of Resources	1,657,947	1,590,043	1,657,947	1,590,043
Long Term Liabilities Outstanding	-	-	-	-
Other Liabilities	9,892,185	13,820,412	9,892,185	13,820,412
Total Liabities	9,892,185	13,820,412	9,892,185	13,820,412
Deferred Inflow of Resources	7,103,614	1,472,884	7,103,614	1,472,884
Net Assets				
Invested Capital Assets, Net of debt	17,460,424	16,763,974	17,460,424	16,763,974
Restricted	6,880,996	6,551,507	6,880,996	6,551,507
Unrestricted	(8,417,724)	(7,323,475)	(8,417,724)	(7,323,475)
Total Net Assets	15,923,696	15,992,006	15,923,696	15,992,006

- Compared to the prior year, Total net assets of the City's governmental activities decreased by $68,310 or (1/2%). The City's Total net assets include three

components: Invested in capital assets, net of related debt, restricted net assets and unrestricted net assets.

- Of total net assets, $17,460,424 is the City's investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding.

- Restricted net assets of $6,880,996 represent 39% of Total net assets. Restricted net assets are those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

- Unrestricted net assets are those resources that may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net assets are ($8,417,724) and is a result of the pension liability which is now reported to comply with GASB 68.

Governmental Activities

Total governmental revenues and transfers for the year exceeded expenditures by $730,314. Below is a table showing the governmental activities of the City for the years ended June 30, 2022 and 2021.

City of Sonora
Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

			Total	
	2022	2021	2022	2021
Revenues				
Property Tax	1,154,730	1,123,091	1,154,730	1,123,091
Sales Tax	5,843,336	5,433,288	5,843,336	5,433,288
Other Taxes and Franchises	1,394,344	1,089,403	1,394,344	1,089,403
Licenses and Permits	158,994	198,344	158,994	198,344
Fines and Forfeitures	25,699	30,270	25,699	30,270
Investment Earnings	88,336	108,930	88,336	108,930
Intergovernmental	1,502,913	1,262,469	1,502,913	1,262,469
Rental Income	73,677	47,820	73,677	47,820
Service Charges And Miscellaneous	384,689	410,916	384,689	410,916
Total Revenues	10,626,718	9,704,531	10,626,718	9,704,531
Expenditures				
General Government	1,612,856	3,251,844	1,612,856	3,251,844
Public Safety	5,131,452	4,736,223	5,131,452	4,736,223
Public Works	1,245,513	1,065,881	1,245,513	1,065,881
Community Development (Building & Planning)	686,634	505,651	686,634	505,651
Culture and Leisure	78,044	69,030	78,044	69,030
Principal Payment on Long Term Debt	-	-	-	-
Interest on Long Term Debt	-	-	-	-
Capital Outlay	1,163,355	946,918	1,163,355	946,918
Total Expenses	9,917,854	10,575,547	9,917,854	10,575,547
Excess (Deficiency) of Revenues over Expenditures	708,864	(871,016)	708,864	(871,016)
Other Financing Sources (Uses)	21,450	21,453	21,450	-
Fund Balance at Beginning of Fiscal Year	11,990,667	12,840,230	11,969,214	12,840,230
Prior Period Adjustment - See Note F	-	-	-	-
Fund Balance at End of Fiscal Year	12,720,981	11,990,667	12,699,528	11,969,214

Total governmental revenues for the year increased by $922,187 or 9.5% over fiscal year 2022. The overall increase in revenue is a result of receiving State and Local Fiscal Recovery Funds for COVID-19 relief and an increase in sales tax revenues as the pandemic subsided.

Total governmental expenses for the year were $9,917,854 a decrease of $657,693 or 6% from fiscal year 2021, primarily due status quo budgets, little project activity as the pandemic persisted, and chronically unfilled positions. Public safety, which includes police and fire protection accounts for $5,131,452 or 52% of the total governmental activities expensed. Significant changes in expense activity are a result of the following activities:

- Public Safety and Public Works expenditures increased by a total of $395,229, and $179,632, respectively. The increases in both departments were primarily related to staffing related changes.
- Community Development expenditures increased by $180,983 from the prior year as there was additional use of contracted positions.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds ended the year with a combined fund balance of $12,720,979. This is an increase of $730,312 from the prior year due to limited projects initiated in fiscal year 2022.

Major fund balance changes are noted below:

- General Fund revenues exceeded expenditures and transfers by $599,712 largely as a result of COVID-19 related funding and unfilled positions. General Fund revenues totaled $9,617,389 (including transfers). Police and fire protection costs were $5,030,392 or 52% of total General Fund expenditures.

- The creation of a Special Sales and Use Tax District (Measure I) provided sales tax revenue of $2,347,075 in fiscal year 2022. This revenue was used to support operations in the police department, fire department and public works department. The allocation of this revenue was $1,408,245 for Police, $586,769 for Fire and $352,061 for Public Works Departments.

- Significant revenues of other non-major governmental funds are comprised of gasoline tax, grant funding, including for law enforcement, reimbursements from state and federal agencies for fire suppression and ongoing road projects.

General Fund Budgetary Highlights.

At year-end, budgeted General Fund revenues were $6,781,838 while actual revenue as $7,163,396. The budgeted General Fund expenditures were $9,356,878 and actual expenditures were $8,951,252. When taking into account transfers in and out of the general fund, the city ended the year with excess revenues over expenditures of $599,712.

The excess revenues over expenditures were due to positions that continue to have vacancies and projects that were delayed until more financial clarity.

Supplemental budget amendments that either increase or decrease appropriations are approved by the City Council.

CAPITAL AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2022, the City had $17,460,422 invested in a broad range of capital assets, including land, construction in progress, buildings, equipment and infrastructure. This amount represents a net increase of $696,448 or a 4% increase from the prior year.

The table below sets forth the City's net asset investment as of June 30, 2020 and 2019.

City of Sonora
Capital Assets (Net of Depreciation)
For the Years Ended June 30, 2022 and 2021

			Total	
	2022	2021	2022	2021
Land	3,932,356	3,804,235	3,932,356	3,804,235
Construction in Progress	944,080	562,519	944,080	562,519
Building and Improvements	1,951,231	1,768,733	1,951,231	1,768,733
Equipment and Vehicles	1,083,980	886,063	1,083,980	886,063
Infrastructure	9,548,775	9,742,424	9,548,775	9,742,424
Total	17,460,422	16,763,974	17,460,422	16,763,974

Long-term Debt. At year-end, the City's governmental activities had $1,036,593 in long-term debt. No new debt was incurred during the year. The table below sets forth the City's long-term debt as of June 30, 2022, and 2021.

City of Sonora
Long Term Debt
For the Years Ended June 30, 2022 and 2021

	Government Activities		Total	
	2022	2021	2022	2021
Compensated Absences	1,036,593	761,425	1,036,593	761,425
Total	1,036,593	761,425	1,036,593	761,425

Additional information on the City's long-term debt can be found in Note G to the accompanying financial statements.

NEXT YEAR'S BUDGETS – FISCAL YEAR 2023 ECONOMIC FACTORS

In preparing the budget for fiscal year 2023, City management has taken into consideration the following economic factors:

- Sales tax and other the City's revenues are projected to slow in fiscal year 2023 as the macro economy has seen inflationary pressures and increases in interest rates. Sales tax continues to be the largest city revenue source.

- Property tax revenue is projected to be increase approximately 2% in 2022 compared to 2021 as economic recovery has accelerated the increase in home values.

- Increased CalPERS rates were incorporated into the budget and the City continues to plan for significant increases in CalPERS rates for the next several years. While the current years CalPERS unfunded liability improved in fiscal year 2022, CalPERS lost (6.1%) on investments. These losses will increase the required City contribution in fiscal year 2024-25

- The formation of a Special Sales and Use Tax District (Measure I) was approved by City of Sonora voters in August, 2004. A ½% sales tax increase within the City limits was effective January 1, 2005 and is continuing to provide revenue for police, fire and public works activities. The special district sales tax is expected to generate approximately $2,313,000 in revenue in fiscal year 2023.

For fiscal year 2023, the City's General Fund revenues are projected to be approximately $7,933,000 compared to 2022 actuals of $7,163,396, an increase of $769,604 as the City was successful in a sales tax measure, Measure Y, in November 2022, a 1% sales tax within the incorporated city limits and the City will see the first revenues after April 1, 2023.

In 2023 General fund expenditures are budgeted to be $9,577,300, an increase of $220,422 or 2% over fiscal year 2022 actual of $9,356,878. A balanced General Fund budget was adopted for fiscal year 2023.

The City continue to take a position of conservative revenue projection and modest changes to General Fund department expenditures.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Sonora's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City's Administrative Services Director at:

City of Sonora
94 N. Washington Street
Sonora, California 95370
(209) 532-6331

CITY OF SONORA
STATEMENT OF NET POSITION
JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021

	Primary Government		
	Governmental Activities	Totals 2022	2021
ASSETS			
Cash And Investments	7,997,302	7,997,302	7,497,531
Accounts Receivable	1,180,245	1,180,245	884,060
Interest Receivable	802,085	802,085	953,792
Loans Receivable	1,771,622	1,771,622	1,961,987
Prepaid Expenses	33,274	33,274	33,274
Restricted Cash	2,016,596	2,016,596	1,600,641
Receivable From Successor RDA Fund	0	0	0
Capital Assets (Net Of Accumulated Depreciation):			
Land	3,932,356	3,932,356	3,804,235
Construction In Progress	944,080	944,080	562,519
Buildings And Improvements	1,951,232	1,951,232	1,768,734
Equipment And Vehicles	1,083,980	1,083,980	886,062
Infrastructure	9,548,776	9,548,776	9,742,424
Total Assets	31,261,548	31,261,548	29,695,259
DEFERRED OUTFLOWS OF RESOURCES	1,657,947	1,657,947	1,590,043
LIABILITIES			
Accounts Payable And Other Current Liabilities	1,080,145	1,080,145	940,618
Compensated Absences	1,036,593	1,036,593	761,425
Other Post Employment Obligations (Asset)	415,345	415,345	404,735
Net Pension Liability	7,360,102	7,360,102	11,713,634
Long-Term Liabilities:			
Due Within One Year	0	0	0
Due In More Than One Year	0	0	0
Total Liabilities	9,892,185	9,892,185	13,820,412
DEFERRED INFLOWS OF RESOURCES	7,103,614	7,103,614	1,472,884
NET POSITION			
Invested In Capital Assets Net Of Related Debt	17,460,424	17,460,424	16,763,974
Restricted For			
Capital Projects	2,002,906	2,002,906	2,077,053
Community Development Projects	3,662,775	3,662,775	3,456,290
Revenue Bond Debt Service	0	0	0
Other Purposes	894,795	894,795	697,644
Perpetual Care:			
Expendable	164,306	164,306	164,306
Nonexpendable	156,214	156,214	156,214
Unrestricted	(8,417,724)	(8,417,724)	(7,323,475)
Total Net Position	15,923,696	15,923,696	15,992,006

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses
Primary Government:	
Governmental Activities:	
General Government	1,955,554
Public Safety	6,204,217
Public Works	1,387,341
Community Development	986,142
Culture And Leisure	214,379
Interest On Long-Term Debt	0
Total Governmental Activities	10,747,633
Total Primary Government	10,747,633

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Program Revenues			Net (Expense) Revenue And Changes In Net Assets Primary Government		
Fines, Fees And Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Totals 2022	2021
896,651	0	0	(1,058,903)	(1,058,903)	(3,124,327)
160,680	161,285	0	(5,882,252)	(5,882,252)	(4,521,319)
623,761	0	101,248	(662,332)	(662,332)	(669,259)
61,950	0	0	(924,192)	(924,192)	(512,530)
48,750	0	0	(165,629)	(165,629)	(147,388)
0	0	0	0	0	0
1,791,792	161,285	101,248	(8,693,308)	(8,693,308)	(8,974,823)
1,791,792	161,285	101,248	(8,693,308)	(8,693,308)	(8,974,823)
General Revenues:					
Taxes:					
Property Tax			1,154,730	1,154,730	1,123,091
Sales Tax			5,843,336	5,843,336	5,433,288
Cannabis Public Benefit Fee			499,977	499,977	216,719
Transient Lodging Tax			559,545	559,545	518,126
Franchise Tax			141,478	141,478	187,883
Motor Fuel Tax			91,647	91,647	120,836
Other Taxes			193,344	193,344	166,675
Investment Earnings			88,336	88,336	108,930
Gain/(Loss) On Sale of Assets			0	0	(2,144)
Transfers			21,450	21,450	1,278,835
Total General Revenues And Transfers			8,593,843	8,593,843	9,152,239
Change In Net Position			(99,465)	(99,465)	177,416
Net Position - Beginning			15,992,006	15,992,006	15,814,590
Net Position - Ending			15,892,541	15,892,541	15,992,006

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	General	CDBG	Special Sales Tax PD Fund
Assets			
Cash And Investments	3,124,731	1,721,194	0
Accounts Receivable	809,151	245	131,740
Interest Receivable	3,473	485,969	1,543
Loans Receivable	0	1,126,312	0
Prepaid Expenses	33,274	0	0
Restricted Cash	0	0	887,477
Due From Successor RDA Fund	0	0	0
Total Assets	3,970,629	3,333,720	1,020,760
Liabilities			
Accounts Payable	166,015	0	0
Other Liabilities	308,371	0	0
Due To Other Funds	0	0	0
Total Liabilities	474,386	0	0
Fund Balances			
Nonspendable	33,274	0	0
Restricted	0	3,333,720	1,020,760
Committed	0	0	0
Assigned	0	0	0
Unassigned	3,462,969	0	0
Total Fund Balances	3,496,243	3,333,720	1,020,760
Total Liabilities And Fund Balances	3,970,629	3,333,720	1,020,760

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Low/Moderate Income Housing Fund	Mitigation Fees Fund	Other Funds	Total Governmental Funds 2022	2021
711,651	1,075,787	1,363,939	7,997,302	7,497,531
0	1,813	237,296	1,180,245	884,060
311,100	0	0	802,085	953,792
645,310	0	0	1,771,622	1,961,987
0	0	0	33,274	33,274
0	0	1,129,119	2,016,596	1,600,641
0	0	0	0	0
1,668,061	1,077,600	2,730,354	13,801,124	12,931,285
0	579,078	26,187	771,280	157,610
0	0	491	308,862	783,008
0	0	0	0	0
0	579,078	26,678	1,080,142	940,618
0	0	156,214	189,488	189,488
1,668,061	498,522	1,704,607	8,225,670	8,281,223
0	0	447,509	447,509	92,562
0	0	912,057	912,057	831,865
0	0	(516,711)	2,946,258	2,595,529
1,668,061	498,522	2,703,676	12,720,982	11,990,667
1,668,061	1,077,600	2,730,354	13,801,124	12,931,285

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances - governmental funds		12,720,979
Total net assets reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	3,932,356	
Construction in progress	944,080	
Buildings and improvements, net of $5,604,131accumulated depreciation	1,951,232	
Equipment and vehicles, net of $3,136,088 accumulated depreciation	1,083,980	
Infrastructure, net of $3,078,643 accumulated depreciation	9,548,776	
Total capital assets		17,460,424
Deferred Outlflow of Resources		1,657,947
Long-term liabilities applicable to the City's governmental activities are due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.		
Notes payable	0	
OPEB (Obligation) Asset	(415,345)	
Compensated absences	(1,036,593)	
Net Pension Liability	(7,360,102)	
Deferred Inflows of Resources	(7,103,614)	
Total long-term liabilities		(15,915,654)
Total net position - governmental activities		15,923,696

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	General	CDBG	Special Sales Tax PD Fund
Revenues			
Property Tax	1,146,670	0	0
Sales Tax	3,496,261	0	1,408,245
Other Tax And Franchises	1,394,344	0	0
Licenses And Permits	118,705	0	0
Fines And Forfeitures	25,699	0	0
Investment Earnings	7,636	42,008	3,080
Intergovernmental	581,768	0	0
Rental Income	61,677	0	0
Service Charges And Miscellaneous	330,636	0	0
Total Revenues	7,163,396	42,008	1,411,325
Expenditures			
General Government	1,570,251	0	0
Public Safety	5,030,392	0	0
Public Works	929,838	0	0
Community Development	693,020	0	0
Culture And Leisure	42,673	0	0
Debt Service			
Principal	0	0	0
Interest And Other Charges	0	0	0
Capital Outlay	685,075	0	0
Total Expenditures	8,951,249	0	0
Excess (Deficiency) Of Revenues Over Expenditures	(1,787,853)	42,008	1,411,325
Other Financing Sources (Uses)			
Operating Transfers In	2,453,993	0	0
Operating Transfers Out	(66,428)	(248,509)	(1,300,000)
Total Other Financing Sources (Uses)	2,387,565	(248,509)	(1,300,000)
Net Change In Fund Balances	599,712	(206,501)	111,325
Fund Balance - Beginning	2,896,531	3,540,221	909,435
Prior Period Adjusments - See Notes	0	0	0
Fund Balance- Ending	3,496,243	3,333,720	1,020,760

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Low/Moderate Income Housing Fund	Mitigation Fees Fund	Other Funds	Total Governmental Funds 2022	2021
0	0	8,060	1,154,730	1,123,091
0	0	938,830	5,843,336	5,433,288
0	0	0	1,394,344	1,089,403
0	0	40,289	158,994	198,344
0	0	0	25,699	30,270
24,452	3,720	7,440	88,336	108,930
0	15,920	905,207	1,502,895	1,262,469
0	0	12,000	73,677	47,820
0	0	54,071	384,707	410,916
24,452	19,640	1,965,897	10,626,718	9,704,531
0	0	0	1,570,251	3,251,844
0	0	101,060	5,131,452	4,736,223
0	0	248,255	1,178,093	1,065,881
8,165	0	95,473	796,658	505,651
0	0	35,371	78,044	69,030
0	0	0	0	0
0	0	0	0	0
0	0	478,280	1,163,355	946,918
8,165	0	958,439	9,917,853	10,575,547
16,287	19,640	1,007,458	708,865	(871,016)
0	0	548,387	3,002,380	3,037,370
0	(175,000)	(1,190,993)	(2,980,930)	(3,015,917)
0	(175,000)	(642,606)	21,450	21,453
16,287	(155,360)	364,852	730,315	(849,563)
1,651,774	653,882	2,338,824	11,990,667	12,840,230
0	0	0	0	0
1,668,061	498,522	2,703,676	12,720,982	11,990,667

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	730,315
The changes in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets ($1,163,355) exceeded depreciation ($466,906) in the current period.	696,449
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and contributions) is to increase net position.	0
The recording of accrued compensated absences and other post employment obligations does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. The liability is included in the statement of activities.	(285,779)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any affect on net position.	0
The net change in pension expense either contributed to pension plan in current fiscal year not included on statement of activities; or expenses reported in statement of activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,240,450)
Changes in net positions of governmental activities	(99,465)

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	2022				
	Budgeted Amounts			Variance With Final Budget Over	2021
	Original	Final	Actual	(Under)	Actual
REVENUES					
Property Tax	1,098,000	1,092,300	1,146,670	54,370	1,102,669
Sales Tax	3,009,427	3,269,427	3,496,261	226,834	3,280,856
Other Tax And Franchise Fees	1,050,000	1,292,600	1,394,344	101,744	1,089,403
Licenses And Permits	121,100	121,700	118,705	(2,995)	129,277
Intergovernmental	581,786	581,768	581,768	0	0
Fines And Forfeitures	34,700	14,800	25,699	10,899	30,270
Investment Earnings	12,000	6,000	7,636	1,636	8,194
Rental Income	66,800	57,400	61,677	4,277	35,820
Service Charges And Miscellaneous	256,640	345,825	330,636	(15,189)	384,483
Total Revenues	6,230,453	6,781,820	7,163,396	381,576	6,060,972
EXPENDITURES					
General Government	1,731,911	1,674,861	1,570,251	(104,610)	3,243,317
Public Safety	4,905,610	5,257,610	5,030,392	(227,218)	4,591,593
Transportation/Public Works	946,550	966,525	929,838	(36,687)	1,004,013
Community Development	547,933	660,933	693,020	32,087	424,999
Culture And Leisure	48,200	48,200	42,673	(5,527)	0
Capital Outlay	339,224	748,749	685,075	(63,674)	18,000
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	8,519,428	9,356,878	8,951,249	(405,629)	9,281,922
Excess (Deficiency) Of Revenues Over Expenditures	(2,288,975)	(2,575,058)	(1,787,853)	787,205	(3,220,950)
OTHER FINANCING SOURCES (USES)					
Transfers In	2,390,550	2,553,050	2,453,993	(99,057)	2,063,560
Transfers Out	(44,000)	(47,000)	(66,428)	(19,428)	(147,243)
Total Other Financing Sources And (Uses)	2,346,550	2,506,050	2,387,565	(118,485)	1,916,317
Net Change In Fund Balance	57,575	(69,008)	599,712	668,720	(1,304,633)
Fund Balance - Beginning	2,896,531	2,896,531	2,896,531	0	4,201,164
Prior Period Adjustment	0	0	0	0	0
Fund Balance - Ending	2,954,106	2,827,523	3,496,243	668,720	2,896,531

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	2022				
	Budgeted Amounts			Variance With Final Budget Over	2021
General Government	Original	Final	Actual	(Under)	Actual
Legislative					
Employee Services	8,400	8,500	8,402	(98)	8,607
Supplies And Services	269,900	254,800	213,528	(41,272)	263,479
Total Legislative	278,300	263,300	221,930	(41,370)	272,086
Administration					
Employee Services	1,013,761	961,486	939,192	(22,294)	735,455
Supplies And Services	347,050	356,025	320,258	(35,767)	1,995,607
Capital Outlay	223,724	378,724	378,121	(603)	2,000
Total Administration	1,584,535	1,696,235	1,637,571	(58,664)	2,733,062
Opera Hall					
Employee Services	21,100	20,800	17,719	(3,081)	25,941
Supplies And Services	27,100	27,400	24,954	(2,446)	21,696
Total Opera Hall	48,200	48,200	42,673	(5,527)	47,637
Sunrise Hills					
Supplies And Services	0	0	0	0	0
Total Sunrise Hills	0	0	0	0	0
Non-Departmental					
Facilities					
Supplies And Services	21,500	22,750	30,427	7,677	16,705
Capital Outlay	0	0	0	0	0
Total Facilities	21,500	22,750	30,427	7,677	16,705
Cemetery					
Employee Services	40,850	39,950	30,081	(9,869)	24,541
Supplies And Services	9,000	9,900	6,913	(2,987)	9,330
Capital Outlay	0	0	0	0	0
Total Cemetery	49,850	49,850	36,994	(12,856)	33,871
Successor Agency Administration					
Employee Services	21,450	21,450	21,450	0	21,099
Supplies And Services	0	0	0	0	350
Total Successor Agency Admin	21,450	21,450	21,450	0	21,449
Total General Government	2,003,835	2,101,785	1,991,045	(110,740)	3,124,810

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	2022				
	Budgeted Amounts			Variance With Final Budget Over	2021
	Original	Final	Actual	(Under)	Actual
Public Safety					
Police					
Employee Services	3,045,160	3,214,160	3,111,749	(102,411)	2,873,991
Supplies And Services	386,850	448,850	403,734	(45,116)	352,795
Capital Outlay	115,500	229,000	175,616	(53,384)	16,000
Total Police	3,547,510	3,892,010	3,691,099	(200,911)	3,242,786
Fire					
Employee Services	1,328,350	1,408,250	1,346,131	(62,119)	1,224,063
Supplies And Services	145,250	186,350	168,778	(17,572)	140,744
Capital Outlay	0	0	0	0	0
Total Fire	1,473,600	1,594,600	1,514,909	(79,691)	1,364,807
Total Public Safety	5,021,110	5,486,610	5,206,008	(280,602)	4,607,593
Transportation					
Public Works					
Employee Services	690,300	667,725	633,626	(34,099)	749,830
Supplies And Services	219,100	261,650	251,486	(10,164)	219,325
Capital Outlay	0	85,025	85,024	(1)	0
Total Public Works	909,400	1,014,400	970,136	(44,264)	969,155
Parks Landscape					
Supplies And Services	26,650	26,650	33,083	6,433	25,255
Total Parks Landscape	26,650	26,650	33,083	6,433	25,255
Parking Lots					
Supplies And Services	10,500	10,500	11,643	1,143	9,603
Total Parking Lots	10,500	10,500	11,643	1,143	9,603
Total Transportation	946,550	1,051,550	1,014,862	(36,688)	1,004,013
Community Development					
Building And Planning					
Employee Services	386,033	318,933	327,476	8,543	292,817
Supplies And Services	121,900	192,000	218,571	26,571	94,482
Capital Outlay	0	56,000	46,314	0	0
Total Building And Planning	507,933	566,933	592,361	35,114	387,299
Engineering					
Supplies And Service	40,000	40,000	36,950	(3,050)	37,700
Total Engineering	40,000	40,000	36,950	(3,050)	37,700
Visit Tuolumne County	95,000	110,000	110,023	23	120,507
Total Visit Tuolumne County	95,000	110,000	110,023	23	120,507
Total Community Development	547,933	716,933	739,334	32,064	545,506
Total General Fund	8,519,428	9,356,878	8,951,249	(405,629)	9,281,922

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CDBG SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	2022				
	Budgeted Amounts			Variance With Final Budget Over	2021
	Original	Final	Actual	(Under)	Actual
REVENUES					
Interest Income	33,000	36,700	42,008	5,308	52,872
Intergovernmental	0	0	0	0	0
Rental Income	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	33,000	36,700	42,008	5,308	52,872
EXPENDITURES					
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies And Services	0	0	0	0	822
Capital Outlay	0	0	0	0	0
Bad Debt Expense	0	0	0	0	67,079
Total Expenditures	0	0	0	0	67,901
Excess (Deficiency) Of Revenues Over Expenditures	33,000	36,700	42,008	5,308	(15,029)
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	612,922
Operating Transfers Out	0	(251,207)	(248,509)	(2,698)	(735,348)
Total Other Financing Sources (Uses)	0	(251,207)	(248,509)	(2,698)	(122,426)
Net Change In Fund Balance	33,000	(214,507)	(206,501)	8,006	(137,455)
Fund Balance - Beginning	3,540,221	3,540,221	3,540,221	0	3,677,676
Prior Period Adjustment	0	0	0	0	0
Fund Balance - Ending	3,573,221	3,325,714	3,333,720	8,006	3,540,221

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL SALES TAX POLICE FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	2021				
	Budgeted Amounts			Variance With Final Budget Over	2021
	Original	Final	Actual	(Under)	Actual
REVENUES					
Investment Earnings	5,000	5,000	3,080	(1,920)	3,995
Sales Tax	1,276,500	1,276,500	1,408,245	131,745	1,291,459
Miscellaneous	0	0	0	0	0
Total Revenues	1,281,500	1,281,500	1,411,325	129,825	1,295,454
EXPENDITURES					
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies And Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) Of Revenues Over Expenditures	1,281,500	1,281,500	1,411,325	129,825	1,295,454
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	23,134
Operating Transfers Out	(1,300,000)	(1,300,000)	(1,300,000)	0	(1,100,000)
Total Other Financing Sources (Uses)	(1,300,000)	(1,300,000)	(1,300,000)	0	(1,076,866)
Net Change In Fund Balance	(18,500)	(18,500)	111,325	129,825	218,588
Fund Balance - Beginning	909,435	909,435	909,435	0	690,847
Fund Balance - Ending	890,935	890,935	1,020,760	129,825	909,435

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LOW/MODERATE INCOME HOUSING FUND
JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	2022				
	Budgeted Amounts			Variance With Final Budget Over	2021
	Original	Final	Actual	(Under)	Actual
REVENUES					
Property Tax Increments	0	0	0	0	0
Rental Income	0	0	0	0	0
Investment Earnings	24,500	24,500	24,452	(48)	26,748
Total Revenues	24,500	24,500	24,452	(48)	26,748
EXPENDITURES					
Salaries	5,000	5,000	1,868	(3,132)	0
Benefits	2,900	1,400	619	(781)	738
Supplies And Services	550	3,100	5,678	2,578	1,507
Capital Outlay	0	0	0	0	148,837
Total Expenditures	8,450	9,500	8,165	(1,335)	151,082
Excess (Deficiency) Of Revenues Over Expenditures	16,050	15,000	16,287	1,287	(124,334)
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	0	160,000	0	(160,000)	0
Total Other Financing Sources (Uses)	0	160,000	0	(160,000)	0
Net Change In Fund Balance	16,050	(145,000)	16,287	161,287	(124,334)
Fund Balance - Beginning	1,651,774	1,651,774	1,651,774	0	1,776,108
Fund Balance - Ending	1,667,824	1,506,774	1,668,061	161,287	1,651,774

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MITIGATION FEES
JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	2022				
	Budgeted Amounts			Variance With Final Budget Over	2021
	Original	Final	Actual	(Under)	Actual
REVENUES					
Investment Earnings	7,000	7,000	3,720	(3,280)	6,353
Intergovernmental	75,000	75,000	15,920	(59,080)	74,634
Miscellaneous	0	0	0	0	0
Total Revenues	82,000	82,000	19,640	(62,360)	80,987
EXPENDITURES					
Salaries	0	0	0	0	0
Benefits	0	0	0	0	0
Supplies And Services	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) Of Revenues Over Expenditures	82,000	82,000	19,640	(62,360)	80,987
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	(175,000)	(175,000)	(175,000)	0	0
Total Other Financing Sources (Uses)	(175,000)	(175,000)	(175,000)	0	0
Net Change In Fund Balance	(93,000)	(93,000)	(155,360)	(62,360)	80,987
Fund Balance - Beginning	653,882	653,882	653,882	0	572,895
Fund Balance - Ending	560,882	560,882	498,522	(62,360)	653,882

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	Agency Fund			Totals (Memorandum Only)	
	Sunrise Hills	Successor RDA Fund	RDA Fund	2022	2021
Assets					
Cash And Investments	51,151	89,551	0	140,702	286,326
Accounts Receivable	0	301,855	0	301,855	55,813
Capital Assets, net	0	0	0	0	0
Total Assets	51,151	391,406	0	442,557	342,139
Liabilities					
Accounts Payable	0	78,955	0	78,955	0
Due To Other Government Funds	0	0	0	0	0
Bonds Payable	51,151	0	0	51,151	51,139
Total Liabilities	51,151	78,955	0	130,106	51,139
Net Position	0	312,451	0	312,451	291,000

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of the City of Sonora, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local* Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:
    - A Management and Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
    - Financial statements prepared using the full accrual accounting for all of the City's activities, including infrastructure (roads, streets, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The more significant of the City's accounting policies are described below:

A. Financial Reporting Entity

The accompanying basic financial statements present the financial activity of the City of Sonora (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units represent other legally separate organizations for which the primary government is financially accountable or for which the nature and significance of their relationship to the primary government are such that exclusion would cause the City's reporting entity to be misleading or incomplete. The City's component units are blended; there are no discretely presented component units in the Financial Reporting Entity.

City of Sonora

The City (primary government) was incorporated in 1851 under the general laws of the State of California. The City provides the full range of municipal services as contemplated by statute. Services provided include public safety (police and fire), street construction and maintenance, culture-recreation, public improvements, planning and zoning, and general administrative and support services.

City of Sonora (continued)

The City operates under a Council-Manager form of government. The City Council consists of five members elected at large for overlapping four year terms. The Mayor is selected from the City Council members and serves a two-year term. The City's only other elected official is the City Clerk/Treasurer whose term of office is four years. The City Council appoints a City Administrator and City Attorney. In addition, the City Council appoints the members of the following advisory Commissions and Boards:

Community Development Committee
Parks, Recreation and Beautification Committee
Public Safety Committee
Amador-Tuolumne County Community Action Agency
Central Sierra Planning Council
Governmental Affairs Committee
Local Transportation Commission
Solid Waste Committee
Planning Commission
Finance Committee
Personnel Committee
Public Works Committee
Cable 8 Committee
Local Agency Formation Commission
Sierra Conservation Center Committee
"Yes" Council Committee
Parking and Traffic Commission

In addition to sitting as the governing board of the City, the City Council also acts as the Board of Directors of one blended component unit: the Redevelopment Agency of the City of Sonora through January 31, 2012. On February 1, 2012 all Redevelopment Agencies (RDA) statewide were dissolved. The City elected to be the Successor Agency of the dissolved Redevelopment Agency of the City of Sonora and is charged with the winding down of operations. The Successor Agency funds are now reported as a fiduciary fund in the City's financial statements.

The City also elected to assume the housing function previously performed by the Redevelopment Agency. The non-cash assets and encumbered cash of the Redevelopment Housing Capital Projects Fund were transferred to the Low/Moderate Income Housing Fund.

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

B. Government-wide and fund financial statements (continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements (note that the City has no proprietary funds). Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Property taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.) net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the City. The City reports the following major governmental funds:

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

The **CDBG Fund** accounts for resources provided by the Federal Housing and Community Development Act of 1974 for the elimination of slums and blight, housing conservation and improvements of community services.

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

The **Police Sales Tax Fund –** To account for the collection of the ½ cent voter approved sales tax. The sales tax revenue can be used for hiring additional personnel, wages and benefits, and equipment in the police department.

The **Low/Moderate Income Housing Fund** was created when the City elected to assume the housing function previously performed by the Redevelopment Agency. The non-cash assets and encumbered cash of the Redevelopment Housing Capital Projects Fund were transferred to this fund.

The **Mitigation Fees** – To account for traffic impact fees collected against new construction. The fees are based upon estimated costs for regional traffic circulation improvements previously identified by the Sonora City Council and the Tuolumne County Board of Supervisors.

Additionally, the City reports the following fund types:

The **Sunrise Hills Assessment District Agency Fund** accounts for resources received for the administration of the district. The City is limited to acting as an agent for the assessed property owners and Certificate of Beneficial interest holders.

The **Successor RDA Agency Fund** accounts for the apportionment of property tax revenues used to pay the recognized obligations of the dissolved redevelopment agency until all recognized obligations of the dissolved redevelopment agency have been paid in full and all assets have been liquidated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers, for applicants, for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities, Net Position or Equity

1. Cash and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures.

The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy that, among other things, authorizes types of investments. Authorized investments include:

- Securities of the U.S. government or its agencies
- Certificates of Deposit (or time deposits) placed with commercial banks and/or savings and loan associations
- State Treasurer's Local Agency Investment Fund (LAIF)
- Passbook savings account demand deposits
- Shares of money market funds

Investments for the City, as well as its component units, are reported at fair value. LAIF operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangement outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e. the current portion of interfund loans) or advances to/from other funds (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

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

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

2. Receivables and Payables (continued)

Property taxes are levied on the first day of March by the County Assessor, and are payable to the County Tax Collector in two installments.

The first installment is due November 1st, and delinquent December 10th, the second installment is due February 1st and delinquent April 10th. Taxes become a lien on the property on March 1st, and on the date of transfer of title, and the date of new construction.

The minimum property value which is taxed is $2,000; however, tax bills are prepared for properties valued at less than $2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states, "The maximum amount of any advalorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the counties and apportioned according to law to the districts within the counties."

The City has elected under state law (Teeter) to receive all of the annual property assessments in three installments as follows:

December	55%
April	40%
June	5%
	100%

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 for property, plant and equipment, and $25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

4. Capital Assets (continued)

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

Assets	Years
Buildings	32
Building Improvements	10 to 25
Cemetery	32
Infrastructure	15 to 50
Equipment and Furnishings	7 to 15
Computer Equipment	3
Vehicles	3 to 7

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. Management employees, after 10 years of service, are eligible for a maximum payout of 520 hours of sick leave. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

6. Pensions And Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, deferred outflows/inflows of resources related to pensions, OPEB, pension and OPEB expense, information about the fiduciary net position of the City of Sonora's California Public Employees' Retirement System (CalPERS) plans and Other Post-Employment Benefits (Plans), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepting accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

7. Long-Term Obligations

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

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net Position and Fund Equity

In the government-wide financial statements, net position are reported in three categories: net position invested in capital assets, net of related debt; restricted net position and unrestricted net position.

Restricted net position represent net position restricted by parties outside the City (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent trust funds and endowments is reported as permanently restricted. The City's other restricted net position are temporarily restricted (ultimately expendable assets). All other net position are considered unrestricted.

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications, and Committed, Assigned, and Unassigned represent the unrestricted classifications.

- Non-spendable fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) legally or contractually required to be maintained intact.
- Restricted fund balance includes amounts that are constrained for specific purposes which are externally (outside the City) imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.
- Committed fund balance includes amounts that are constrained for specified purpose that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned fund balance represents limitations imposed by management.

8. Net Position and Fund Equity (continued)

- Unassigned fund balance represents the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

As of June 30, 2022, the fund balance details by classification are listed below:

	General	CDBG	Special Sales Tax PD Fund	Low/Moderate Income Housing	Mitigation Fees	Other Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
Perpetual Care						156,214	156,214
Long-Term Advances	33,274						33,274
Restricted:							
CDBG		3,333,720					3,333,720
Public Safety			1,020,760			716,673	1,737,433
Community Development					498,522		498,522
Public Housing				1,668,061			1,668,061
Transportation						429,303	429,303
Public Works						733,631	733,631
Committed To:							
Historic Preservation						2,834	2,834
In-Lieu Parking						10,439	10,439
Compensated Abs Reserve						259,236	259,236
Assigned To:							
Vehicle Abatement						29,086	29,086
Landscaping						127,372	127,372
RSTP						34,799	34,799
Farmers Market						0	0
Road Maintenance						298,086	298,086
South Sonora						212,829	212,829
Other Purposes	0					209,885	209,885
Unassigned:	3,462,966		0			(516,711)	2,946,255
Total Fund Balances	3,496,240	3,333,720	1,020,760	1,668,061	498,522	2,703,676	12,720,979

9. Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, and special revenue, capital projects and permanent funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The City Administrator may authorize transfers of appropriations within the budget or supplemental appropriations for items less than $10,000. The transfer of appropriations or supplemental appropriations that are greater than $10,000 must be approved by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made several supplemental budgetary appropriations throughout the year.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2022 expenditures exceeded appropriations in a few services as follows:

General Fund Services	
Visitors Bureau	23
Facilities	7,677
Parks Landscaping	6,433
Parking Lots	1,143
Building And Planning	25,353

The General Fund's other expenditures were less than appropriated, therefore, allowing for an increase in spending. The Administration Fund has written off the note receivable from the former RDA as it was closed as of the end of the fiscal year.

C. Deficit Fund Equity

The Self Insurance fund has a deficit fund balance of $696 as of June 30, 2022 will be reimbursed with future funds. The Business Improvement Benefit Fund has a deficit fund balance of $58,969 as of June 30, 2022. Future annual collections of Benefit Zone fees and lower allocations of personnel costs for sponsored events would reduce the deficit in the Business Improvement Benefit Fund, however such reductions would likely impact that number of special events that the City could continue to sponsor. Caltrans Federal fund has a deficit fund balance of $3,484 as of June 30, 2022, will be reimbursed by future reimbursements. Washington/Elkins fund has a deficit fund balance of $394,338 as of June 30, 2022, will be future reimbursements. Farmers Market fund has a deficit fund balance of $4,891 as of June 30, 2022, will be reimbursed with future revenues. SB2 Planning Grant fund has a deficit fund balance of $10,083 as of June 30, 2022, will be reimbursed

C. Deficit Fund Equity (continued)

with future funds. Regional Early Action Planning fun has a deficit fund balance of $44,250 as of June 30, 2022, will be reimbursed with future funds.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Cash and investments	8,138,004
Restricted Cash	2,016,596
Total cash and investments	10,154,600
Investment in Local Agency Investment Fund (LAIF)	7,570,394
Deposits with financial institutions	2,584,006
Cash on hand	200
Total cash and investments	10,154,600

The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. As of year-end, the weighted average maturity of the investments contained in the LAIF investment pool is 10.22 months.

		Maturity Date
State investment pool	$ 7,570,394	10.22 months average maturity
Total	$ 7,570,394	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

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 California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the California State Treasurer's Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Restricted Cash and Investments

The City maintains cash and investments restricted under the terms of an endowment trust agreement. The earnings from this money, accounted for in the City's permanent fund, may be spent in accordance with the endowment trust restrictions. The money is included in the City's pooled cash and investment program.

Restricted Cash and Investments

Restricted cash and investments as of June 30, 2022 is $1,600,641. This consists of the Cemetery Fund endowment $156,214, the Special Sales Tax Police Fund of $767,433, the Special Sales Tax Fire Fund of $210,057 and the Special Sales Tax Public Works Fund of $466,937.

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Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City deposits deferred compensation plan assets with the California Public Employees Retirement System (PERS) and VALIC. Federal legislation requires that the assets of such plans be held in trust for the exclusive benefit of the plan participants and their beneficiaries. PERS and VALIC act as the trustees for the plan assets and the City is considered to have limited fiduciary responsibility for the plan assets. As such, the City does not report the deferred compensation plan assets on its financial statements. (See Note 4C to the basic financial statements for additional information about this plan.)

B. Notes Receivable

The City is the recipient of Community Development Block Grant Funds and elected to assume the housing function previously performed by the dissolved redevelopment agency. Funds are provided to use for housing and business loans to qualified recipients at various below market interest rates ranging from 0 to 5%. The terms of the loans range between fifteen and thirty-one years. All loans are secured by deeds of trust. The amounts outstanding as of June 30, 2022 are $1,126,312 (CDBG Fund) and $645,310 (Low/Moderate Income Housing Fund).

However, the City has recorded an allowance for uncollectible accounts totaling $96,241 and $24,055 respectively, therefore reporting $1,030,071 and $621,255, respectively on the City's financial statements.

C. Receivables

Receivables as of June 30, 2022 for the City's individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows. All receivables are expected to be collected within one year.

	General	CDBG	Special Sales Tax PD Fund	LMIH Fund	Mitigation Fees	Non-Major Govern-mental Funds	Total
Interest	3,473	485,969	1,543	311,100	0	0	802,085
Taxes	809,151	0	131,740	0	0	237,296	1,178,187
Grants	0	0	0	0	0	0	0
Accounts	0	245	0	0	1,813	0	2,058
Total	812,624	486,214	133,283	311,100	1,813	237,296	1,982,330

D. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	3,804,235	128,121	0	3,932,356
Construction in progress	562,519	381,561	0	944,080
Total capital assets not being	4,366,754	509,682	0	4,876,436
Capital assets being depreciated:				
Buildings and improvements	7,372,864	346,719	0	7,719,583
Equipment and vehicles	4,022,151	306,954	(60,843)	4,268,262
Infrastructure	12,821,067	0	0	12,821,067
Total capital assets being depreciated	24,216,082	653,673	(60,843)	24,808,912
Less accumulated depreciation for:				
Buildings and improvements	(5,604,131)	(164,221)	0	(5,768,352)
Equipment and vehicles	(3,136,088)	(109,037)	60,843	(3,184,282)
Infrastructure	(3,078,643)	(193,649)	0	(3,272,292)
Total accumulated depreciation	(11,818,862)	(466,907)	60,843	(12,224,926)
Net capital assets being depreciated	12,397,220	186,766	0	12,583,986
Total net capital assets - governmental	16,763,974	696,448	0	17,460,422

D. Capital Assets (continued)

Depreciation was charged to functions/programs of governmental activities for the year ended June 30, 2022 as follows:

General Government	144,759
Public Safety	83,388
Public Works	11,844
Community Development	91,395
Culture and Leisure	135,520
Total Depreciation Expense – Governmental	466,906

E. Transfers

Interfund transfers for the year ended June 30, 2022 consisted of the following amounts:

Fund	Transfer In	Transfer Out
General Fund	2,453,993	66,428
CDBG Fund	0	248,509
Special Sales Tax-Police	0	1,300,000
Mitigation Fees	0	175,000
Gas Tax Fund	0	89,000
SLESF	0	125,000
LTF	0	94,237
Special Sales Tax-Fire	0	500,000
Special Sales Tax-Public Works	0	315,000
Fire Fighters Code 5 Fund	58,450	58,450
BSCC Fund	0	5,719
Vision Sonora Fund	207	0
Medical Cannabis Fund	3,428	0
SRO Fund	75,128	0
FEMA CAL/OES Fund	20,132	0
Greenley Road Extension Project	175,000	0
Self-Insurance Fund	36,296	0
Compensated Absences Fund	179,746	0
Cemetery Perpetual Care Fund	0	3,587
Totals	3,002,380	2,980,930
Redevelopment	0	21,450
	3,002,380	3,002,380

F. Payables

Payables at June 30, 2022 for the City's individual major funds and non-major funds in the aggregate are as follows:

	General	CDBG	Special Sales Tax PD Fund	LMIH Fund	Mitigation Fees	Non-major Govern-mental	Total
Governmental Activities:							
Vendors	166,015	0	0	0	0	26,187	192,202
Intergovernmental	0	0	0	0	0	0	0
Accrued Interest	0	0	0	0	0	0	0
Other	308,374	0	0	0	579,078	491	887,943
Total	474,389	0	0	0	579,078	26,678	1,080,145

G. Long-Term Debt

The following is a summary of changes in the City's long-term debt and other long-term liabilities during the year ended June 30, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Compensated Absences	761,425	275,168	0	1,036,593	(185,587)
Long-Term Liabilities of Governmental Activities	761,425	275,168	0	1,036,593	(185,587)

H. Sunrise Hills Assessment District

The City acts as agent on behalf of the Sunrise Hills Assessment District Bond Issue. At the time of issuance of the bonds for this district, the City made an election under the Streets & Highways Code Section 8769 not to obligate the City to advance available funds from the City treasury to cure any deficiencies in the redemption fund for the bonds. Thus, the bonds are "limited obligation bonds" secured solely by the assessment installments paid by the property owners, the reserve fund established for the bonds at the time of their issuance and the proceeds, if any, of foreclosure sales. The bond issue of $7,590,000 is due in principal installments ranging from $150,000 to $730,000 annually beginning in 1998 and matured in 2019.

Interest at 7% is payable in semiannual installments due in September and March. The bond transactions are accounted for in the Agency Fund.

H. Sunrise Hills Assessment District (continued)

During fiscal year ended June 30, 1998 the City conducted a foreclosure sale on certain property in the district, which had been delinquent for several years. No bids were received and therefore no funds were deposited in the redemption fund with respect to that property.

As a result of the above, the reserve fund did not have enough money to make further debt service payments and the City declared an "ultimate loss" on the bonds as of January 18, 2000. The assessment district bonds were either tendered in lieu of delinquent assessments, penalties and interest for a Certificate of Beneficial Interest.

During the fiscal year ended June 30, 2022, the bond issue matured and any obligation has now been terminated.

I. Evaluation of Subsequent Events

The City has evaluated subsequent events through December 28, 2022, the date which the financial statements were available to be issued.

IV. OTHER INFORMATION

A. Risk Management

The City of Sonora participates with other public entities in a joint exercise of powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first $1,000,000 of each general liability claim and $250,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under $25,000 and workers' compensation losses under $25,000.

The CSJVRMA participates in an excess pool which provides general liability coverage from $1,000,000 to $10,000,000. The CSJVRMA participates in an excess pool which provides Workers' Compensation coverage from $250,000 to $500,000 and purchases excess insurance above the $500,000 to the statutory limit.

A. Risk Management (continued)

The CSJVRMA is a consortium of fifty-four (54) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3-4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial position and results of operations for the CSJVRMA, as of June 30, 2021, are presented below:

Total Assets	150,837,823
Total Liabilities	118,663,929
Total Net Assets	32,173,894
Total Liabilities & Net Assets	150,837,823
Total Revenues for Year	58,911,480
Total Expenses for Year	47,584,363
Net Income for Year	11,327,117

At the termination of the joint powers agreement and after all claims have been settled, any excess deficit will be divided among the cities in accordance with its governing documents.

B. Commitments and Contingencies

The City of Sonora is a defendant in various lawsuits. Although the outcome of some of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that a resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Employee Deferred Compensation Plan

The City offers an Employee Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457 to its employees, allowing them to defer or postpone receipt of income. Amounts so deferred may not be paid to the employee during employment with the City except for a catastrophic circumstance creating an undue financial hardship for the employee.

Effective January 1, 1999, Federal legislation (Small Business Job Protection Act of 1996) requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. The City's deferred compensation administrator, CalPERS and VALIC qualifies as the plan trustees to meet Federal requirements. Since the plan assets are no longer considered the property and rights of the City, such assets are no longer reflected in the accompanying basic financial statements.

D. Post-Retirement Benefit Plan

Plan Description

The City provides post-retirement medical coverage to eligible employees (and their dependents). Management employees who retire at age 50 (Fire, Police) or age 55 (Other) or older with at least 10 years of service with the City, are eligible for benefits. The City Administrator is eligible for benefits after 5 years of service with the City. The City pays a portion of the cost of the benefit, up to a predetermined cap. The excess carrier is responsible for the costs in excess of the City's self-insured amount ($55,000). The retiree is responsible for either 50% or 25% of the excess carrier's premium amount, depending on their age, less than 60, 50%, 60 or greater, 25%. Coverage ends when the retiree/dependent becomes eligible for Medicare.

Employees Covered by Benefit Terms

At June 30, 2022, the following City employees were covered by the benefit terms:

Retirees currently receiving benefits	3
Active employees	5
	8

Contributions

The City is currently financing the OPEB liability on a pay-as-you-go basis. The City only contributes the required retiree benefits when due. For the year ended June 30, 2021, the City contribution to the plan was $89,067. Employees are not required to contribute to the plan.

Net OPEB Liability

The City's net OPEB liability of $415,345 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

D. Post-Retirement Benefit Plan (Continued)

Actuarial Assumptions and Other Inputs

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets ($0; plan is not yet funded)
Discount Rate	2.66% as of June 30, 2020 2.18% as of June 30, 2021
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation
Salary Increase	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Assumed Wage Inflation	3.0% per year; a component of assumed salary increases
General Inflation Rate	2.5% per year

Discount Rate

When a city finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate. The discount rate used in the valuation was based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of the Measurement Period, use of this index results in discount rates of 2.66% as of June 30, 2020 and 2.18% as of June 30, 2021.

D. Post-Retirement Benefit Plan (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020	$ 404,735	$ 0	$ 404,735
Changes in the year:			
Service Cost	18,577	0	18,577
Interest Cost	10,076		10,076
Employer Contributions	0	89,067	(89,067)
Benefit Payments	(89,067)	(89,067)	0
Differences Between Expected and Actual Experience	2,830	0	2,830
Assumption Changes	68,194	0	68,194
Net Changes in Fiscal Year 2020-2021	10,610	0	10,610
Balance at Fiscal Year Ending 6/30/21	$ 415,345	$ 0	$ 415,345

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

Change in Discount Rate	**Current - 1% 1.18%**	**Current Rate 2.18%**	**Current + 1% 3.18%**
Net OPEB Liability (Asset)	432,547	415,346	398,711

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

Change in Heathcare Cost Tred Rate	**Current Trend -1%**	**Current Trend**	**Current Trend +1%**
Net OPEB Liability (Asset)	391,704	415,345	441,167

D. Post-Retirement Benefit Plan (Continued)

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

For the year ended June 30, 2022, the City recognized OPEB expense of $89,067. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 54,182	$ 0
Differences Between Expected and Actual Experience	2,215	956
Net Difference Between Projected and Actual Earnings on Investments	0	0
Deferred Contributions	65,409	0
Total	$ 121,806	$ 956

The City will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2023	$ 15,187
2024	15,550
2025	15,440
2026	9,264
2027	0
Thereafter	0

E. Employee Retirement Systems and Plans

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

E. Employee Retirement Systems and Plans (Continued)

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

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.7 @ 55	2.0 @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-63
Monthly benefits, as of % of eligible compensation	2.000% to 2.700%	1.000% to 2.500%
Required employee contribution rates	8.00%	6.50%
Required employer contribution rates	36.174%	0.00%

	Safety	
Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	3.0 @ 50	2.7 @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	50-57
Monthly benefits, as of % of eligible compensation	3.00%	2.000% to 2.700%
Required employee contribution rates	9.00%	11.50%
Required employer contribution rates - Fire	40.122%	N/A
Required employer contribution rates - Police	50.236%	N/A

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

E. Employee Retirement Systems and Plans (Continued)

Effective January 1, 2013, the Public Employees' Pension Reform Act (PEPRA) implemented new benefit formulas, final compensation period, and new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member as per PEPRA.

For the year ended June 30, 2022, the contribution recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	$ 149,907	$ 322,088
Contributions - employee (paid by employer)	0	0
Lump Sum Contributions	410,214	565,705

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

As of June 30, 2022, the Local Government reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 3,526,243
Safety	3,833,859
Total Net Pension Liability	$ 7,360,102

The Local Government's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as on June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

E. Employee Retirement Systems and Plans (Continued)

The Local Government's proportionate share of the net pension liability for each Plan as of June 30, 2021 and 2022 was as follows:

	Miscellaneous	Safety	Total
Proportion - 6/30/21	0.12563%	0.09628%	0.10766%
Proportion - 6/30/22	0.18571%	0.10924%	0.13609%
Change - Increase/(Decrease)	0.06008%	0.01296%	0.02843%

Note: Due to the nature of calculating proportionate share of the Net Pension Liability/(asset), total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %.

At June 30, 2022, the Local Government 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
Changes in Assumptions	$ 0	$ 0
Differences Between Expected and Actual Experience	1,050,442	0
Differences Between Projected and Actual Investment Earnings	0	5,360,107
Differences Between Employer's Contributions and Proportionate Share of Contributions	0	1,458,506
Change in Employer's Proportion	8,453	284,046
Pension Contributions Made Subsequent to Measurement	471,995	0
	$ 1,530,890	$ 7,102,659

$1,530,890 reported as deferred outflows of resources relation to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2023	$ (921,065)	$ (716,983)	$ (1,638,048)
2024	(860,094)	(656,547)	(1,516,641)
2025	(799,729)	(610,741)	(1,410,470)
2026	(850,662)	(627,942)	(1,478,604)
2027	-	-	-
Thereafter	-	-	-
	$ (3,431,550)	$ (2,612,213)	$ (6,043,763)

Actuarial Assumptions – The total pension liabilities was determined by rolling forward the total pension liability determined in the June 30, 2020 actuarial accounting valuations to June 30, 2021. The June 30, 2021, total pension liability was based on the following actuarial methods and assumptions:

E. Employee Retirement Systems and Plans (Continued)

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Acturarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varied by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power Protection allowance floor on power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all funds' asset classes, expected compound (geometric) returns were

E. Employee Retirement Systems and Plans (Continued)

calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits of cash flows as the one calculated using both short-term and long-term returns.

The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (2)	Real Return Years 11+ (3)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(1) In the System CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(2) An expected inflation of 2.00% used for this period.
(3) An expected inflation of 2.92% used for this period.

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

Summary	Current Discount Discount Rate -1%	Rate	Discount Rate +1%
Misc Plans	5,813,188	3,526,243	1,635,659
Safety Plans	6,985,193	3,833,859	1,245,428
Total	12,798,381	7,360,102	2,881,087

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

REQUIRED SUPPLEMENTAL FINANCIAL DATA

CITY OF SONORA
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MISCELLANOUS
JUNE 30, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.0868%	0.1256%	0.1277%	0.1299%	0.1285%	0.1318%	0.0863%	0.08141%
Proportion share of the net pension liablity	$ 3,526,243	$ 3,613,773	$ 5,111,834	$ 4,896,082	$ 5,065,626	$ 4,577,489	$ 2,366,853	$ 2,011,976
Covered - employee payroll	$ 3,338,126	$ 3,220,723	$ 3,115,149	$ 3,493,914	$ 3,444,512	$ 3,013,131	$ 1,199,319	$ 1,133,953
Proportionate share of the net pension liability as percentage of covered-employee payroll	108.26%	158.72%	157.17%	144.98%	132.89%	151.92%	197.35%	177.43%
Plan's fiduciary net position	$ 13,795,038	$ 14,000,988	$ 11,027,177	$ 10,660,670	$ 10,124,468	$ 9,477,208	$ 6,141,333	$ 6,302,141
Plan fiduciary net position as a percentage of the total pension liability	79.64%	79.48%	68.33%	68.53%	66.65%	67.43%	72.18%	75.80%

Notes to Schedule:

Change in assumptions. In 2016, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

CITY OF SONORA
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - SAFETY
JUNE 30, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.0893%	0.1828%	0.0965%	0.0976%	0.0970%	0.1023%	0.1054%	0.04351%
Proportion share of the net pension liablity	$ 3,833,859	$ 6,414,463	$ 6,022,098	$ 5,725,212	$ 5,798,526	$ 4,213,686	$ 4,344,646	$ 1,632,087
Covered - employee payroll	$ 3,770,036	$ 3,741,442	$ 3,633,288	$ 3,490,120	$ 3,505,165	$ 3,226,023	$ 1,120,793	$ 1,199,112
Proportionate share of the net pension liability as percentage of covered-employee payroll	101.69%	171.44%	165.75%	164.04%	165.43%	130.62%	387.64%	136.11%
Plan's fiduciary net position	$ 19,577,224	$ 16,313,562	$ 15,823,749	$ 15,148,617	$ 14,608,321	$ 13,015,069	$ 13,050,377	$ 4,948,867
Plan fiduciary net position as a percentage of the total pension liability	83.62%	71.78%	72.43%	72.57%	71.59%	75.54%	75.02%	75.20%

Notes to Schedule:

Benefit Changes. In 2016, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Change in assumptions. In 2016, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

CITY OF SONORA
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
JUNE 30, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	$ 1,466,900	$ 1,237,781	$ 1,051,911	$ 1,089,254	$ 814,632	$ 684,457	$ 364,596	$ 296,470
Contributions in relation to the actuarially determined contributions	$ (1,912,140)	(1,528,096)	(1,251,042)	(1,152,240)	(802,074)	(765,021)	(364,596)	(296,470)
Contribution deficiency (excess)	$ (445,240)	$ (290,315)	$ (199,131)	$ (62,986)	$ 12,558	$ (80,564)	$ -	$ -
Covered - employee payroll	$ 3,338,126	$ 3,220,723	$ 3,115,149	$ 3,493,914	$ 3,444,512	$ 3,013,131	$ 1,199,319	$ 1,133,953
Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	43.94%	38.43%	33.77%	31.18%	23.65%	22.72%	30.40%	26.14%

Notes to Schedule:

Valuation Date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

Methods and assumptions used to determine cotnribution rates:

Actuarial Cost Method	Entry age
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Asset valuation method	Market Value
Inflation	2.63%
Salay increases	Varies by Entry Age and Service
Investment rate of return	7.25%, net of pension plan investment and administrative expense, including inflation

CITY OF SONORA
SCHEDULE OF CONTRIBUTIONS - SAFETY
JUNE 30, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	$ 1,656,698	$ 1,437,902	$ 1,226,874	$ 1,106,876	$ 828,977	$ 732,817	$ 527,765	$ 486,250
Contributions in relation to the actuarially determined contributions	$ (2,159,546)	(1,775,155)	(1,459,126)	(1,327,402)	(921,165)	(819,073)	(527,765)	(486,250)
Contribution deficiency (excess)	$ (502,848)	$ (337,253)	$ (232,252)	$ (220,526)	$ (92,188)	$ (86,256)	$ -	$ -
Covered - employee payroll	$ 3,770,036	$ 3,741,442	$ 3,633,288	$ 3,490,120	$ 3,505,165	$ 3,226,023	$ 1,120,793	$ 1,199,112
Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	43.94%	38.43%	33.77%	31.71%	23.65%	22.72%	47.09%	40.55%

Notes to Schedule:

Valuation Date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

Methods and assumptions used to determine cotnribution rates:

Actuarial Cost Method	Entry age
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Asset valuation method	Market Value
Inflation	2.63%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.25%, net of pension plan investment and administrative expense, including inflation

CITY OF SONORA
SCHEDULE OF CHANGES IN THE CITY'S
NET OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2022

	Measurement Period 2021
Total OPEB Liability	
Service Cost	$ 18,577
Interest on total OPEB liability	10,076
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	0
Benefit payments	(89,067)
Assumption Changes	68,194
Plan Experience	2,830
Net change in total OPEB liability	10,610
Total OPEB liability - beginning	404,735
Total OPEB liability - ending (a)	$ 415,345
Plan Fiduciary Net Position	
Contributions - employer	$ 89,067
Net investment income	0
Benefit payments	(89,067)
Net change in plan fiduciary net position	0
Plan fiduciary net position - beginning	0
Plan fidiciary net position - ending (b)	$ 0
Net OPEB liability - ending (a) - (b)	$ 415,345
Covered-employee payroll	$ 600,630
Net OPEB liability as a percentage of covered-employee payroll	69.15%

CITY OF SONORA
SCHEDULE OF PLAN CONTRIBUTIONS
FOR THE CITY'S OPEB PLAN
JUNE 30, 2022

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	89,067	89,067	0	600,630	14.83%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Abandoned Vehicle Abatement - To account for state grants and other monies received and disbursed for the disposition of abandoned vehicles.

Gas Tax Funds - To account for state gas tax revenues collected based on population. The revenues may be expended only for street and road repair, maintenance, design, construction and traffic signal design and installation.

COPS AB11 Fund – Government grant established to provide law enforcement agencies with the funding to hire and re-hire career law enforcement professionals in order to preserve jobs, increase community policing capacities and support crime prevention efforts.

Local Transportation Fund - To account for the City's allocation of local transportation revenues collected for streets, roads, and sidewalk improvements.

Business Improvement Benefit Fund - To account for monies collected and expended for business improvement.

Highway Users' Tax Fund – To separately account for HUT apportionments received through Section 2103 of the State of California Streets and Highways Code.

Historic Preservation Fund – To account for donations received for the preservation of historical documents and memorabilia.

Sunrise Hills Landscaping District – To account for monies collected and expended within district for landscaping.

Asset Forfeit Fund – To account for forfeited assets collection and remittance to the appropriate agencies.

Special Sales & Use Tax Funds accounts for the collection of a ½ percent increase in sales tax, as approved by the voters. The sales tax revenue can be used for hiring additional personnel, wage and benefit enhancements, and equipment in the, police, fire and public works departments.

Firefighters /Code 5 – To account for money received for fire fighting services on areas outside the city's limits. The funds are used for personnel and equipment cost.

RSTP Exchange Fund – To account for monies received from the Tuolumne County Transportation Council for the Regional Surface Transportation Program.

In Lieu Parking – To account for funds collected when a new business is opened or an existing business expands. The funds are used for the acquisition of new parking facilities or major repairs to currently owned parking facilities.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Certified Access Specialist Program Fund – To account for monies collected upon issuance or renewal of a business license. This portion of the fee is set aside to increase training of certified access specialists (CASP) and strengthen CASP programs in local building departments.

Community Revitalization Plan Fund – To account for sub-recipient grant funds used to develop a plan to improve traffic circulation and other street related aspects of the downtown Sonora area.

Board of State and Community Corrections (BSCC) Fund – To account for funds received from the State of California which supports the City's law enforcement as a result of AB 109-2011 Public Safety Realignment.

USDA Comm FAC 3 Fund – To account for grant funds from the U.S.D.A Community Facilities Grant to fund Police Vehicle's equipment outfitting.

Caltrans Federal Fund – To account for monies from Caltrans grants to improve the Washington/Stockton Corridor.

Economic Development Fund - To account for monies collected and expended for economic development in the City of Sonora.

Community Transformation Fund – To account for sub-recipient grant funds provided to the Tuolumne County Public Health Department through the U.S. Department of Health and Human Services, used to develop the Dragoon Gulch Trail Master Plan.

Medical Cannabis Fund – In November of 2016, the voters of California approved Proposition 64, entitled the "Control, Regulate and Tax Adult Use of Marijuana" ("AUMA"). AUMA legalized the adult-use, possession, and retail sale of cannabis by persons 21 years of age and older. This fund was to account for fees generated by the opening of cannabis businesses in the City.

Road Maintenance and Rehabilitation Fund (SB1) – To account for the state gas tax revenues collected based on an increase in the per gallon tax. The revenues are to be used to address deferred maintenance on the State Highway System and Local Street and Road System.

Dragoon Gulch Fund - To account for the monies and expenditures for the operation of the Dragoon Gulch Trail.

PEG Capital Fees Fund – To collect a fee for public, educational and government channel access, in accordance with the digital infrastructure and video competition act.

SB2 Grant Program - Funding and technical assistance to local governments in California to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.

Regional Early Action Planning Grant - Grant is a key part of the state's strategic investments toward a more sustainable, resilient, and inclusive future. The program focus by integrating housing and climate goals, and allowing for broader planning and implementation investments.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Capital Projects

Mono Way Reimbursement Fund – To account for reimbursements of costs incurred for widening Mono Way, covered by the cooperative agreement between the City and Tuolumne County.

Washington/Elkins Fund – For monies collected and expended to improve the Washington and Elkin intersection for improved safety.

Farmers Market/Restroom Fund - To account for monies collected and expended to convert an existing building to bathrooms for the Farmers Market.

Greenley Road Extension Grant -

Internal Service

Self-Insurance Fund – To account for all medical and dental claims paid by the City through the City of Sonora Employee Benefit Plan. Funds are transferred into this fund to cover the claim payments from all other funds based on the budgeted per employee per month cost for each fund.

Compensated Absences Fund – To account for the resources and liabilities for compensated absences of the city's employees.

Permanent

Cemetery Perpetual Care Fund - To account for the principal trust amounts and related interest income. The interest income can be used to maintain the cemetery, while the principal may not be spent.

CITY OF SONORA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021

	Special Revenue								
	Aban-doned Vehicle Funds	Gas Tax Funds	SLESF Cops Fund	Local Trans-portation Fund	Business Improve-ment Benefit Fund	Highway Users' Tax Fund	Historic Preser - vation Fund	Sunrise Hillls Land-scaping Fund	Asset Forfeit Fund
Assets									
Cash And Investments	26,277	1,986	159,508	129,796	(58,848)	175,821	2,834	127,158	1,372
Accounts Receivable	2,809	8,230	0	101,020	50	2,876	0	214	2
Loans Receivable	0	0	0	0	0	0	0	0	0
Prepaid Expense	0	0	0	0	0	0	0	0	0
Restricted Cash	0	0	0	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0	0	0	0
Total Assets	29,086	10,216	159,508	230,816	(58,798)	178,697	2,834	127,372	1,374
Liabilities And Fund Balances									
Liabilities									
Accounts Payable	0	0	0	0	171	9,962	0	0	0
Other Liabilities	0	0	0	0	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0	0	0	0
Total Liabilities	0	0	0	0	171	9,962	0	0	0
Fund Balances									
Nonspendable	0	0	0	0	0	0	0	0	0
Restricted	0	10,216	159,508	230,816	0	168,735	0	0	1,374
Committed	0	0	0	0	0	0	2,834	0	0
Assigned	29,086	0	0	0	0	0	0	127,372	0
Unassigned	0	0	0	0	(58,969)	0	0	0	0
Total Fund Balances	29,086	10,216	159,508	230,816	(58,969)	168,735	2,834	127,372	1,374
Total Liabilities And Fund Balances	29,086	10,216	159,508	230,816	(58,798)	178,697	2,834	127,372	1,374

Special Revenue										
Special Sales Tax Fire Fund	Special Sales Tax PW Fund	Fire-Fighters Code 5 Fund	RSTP Exchange Fund	In Lieu Parking Fund	Certified Access Specialist Program Fund	BSCC Fund	USDA PD Grants Fund	Stockton Washington Transit Fund	Vision Sonora Fund	Total
0	0	140,612	34,740	10,439	17,026	0	0	(2,704)	28,553	794,570
55,459	33,696	19,893	59	0	0	0	0	0	0	224,308
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
301,492	507,632	0	0	0	0	0	0	0	0	809,124
0	0	0	0	0	0	0	0	0	0	0
356,951	541,328	160,505	34,799	10,439	17,026	0	0	(2,704)	28,553	1,828,002
0	0	0	0	0	0	0	0	780	0	10,913
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	780	0	10,913
0	0	0	0	0	0	0	0	0	0	0
356,951	541,328	160,505		0	0	0	0	0	0	1,629,433
0	0	0	0	10,439	0	0	0	0	0	13,273
0	0	0	34,799	0	17,026	0	0	0	28,553	236,836
0	0	0	0	0	0	0	0	(3,484)	0	(62,453)
356,951	541,328	160,505	34,799	10,439	17,026	0	0	(3,484)	28,553	1,817,089
356,951	541,328	160,505	34,799	10,439	17,026	0	0	(2,704)	28,553	1,828,002

CITY OF SONORA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2021

	Special Revenue			Capital Projects				
	Medical Cannabis Fund	SRO Fund	FEMA CAL/OES Fund	PSPS Grant Fund	Road Maintenance Fund	Dragoon Gulch Fund	PEG Capital Fees Fund	Washington Elkington Fund
Assets								
Cash And Investments	0	0	0	38,335	288,214	19,553	17,273	(381,683)
Accounts Receivable	0	0	0	0	9,872	0	30	0
Loans Receivable	0	0	0	0	0	0	0	0
Prepaid Expense	0	0	0	0	0	0	0	0
Restricted Cash	0	0	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0	0	0
Total Assets	0	0	0	38,335	298,086	19,553	17,303	(381,683)
Liabilities And Fund Balances								
Liabilities								
Accounts Payable	0	0	0	0	0	17	0	12,655
Other Liabilities	0	0	0	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0	0	0
Total Liabilities	0	0	0	0	0	17	0	12,655
Fund Balances								
Nonspendable	0	0	0	0	0	0	0	0
Restricted	0	0	0	38,335	0	19,536	17,303	0
Committed	0	0	0	0	0	0	0	0
Assigned	0	0	0	0	298,086	0	0	0
Unassigned	0	0	0	0	0	0	0	(394,338)
Total Fund Balances	0	0	0	38,335	298,086	19,536	17,303	(394,338)
Total Liabilities And Fund Balances	0	0	0	38,335	298,086	19,553	17,303	(381,683)

Capital Projects			Internal Service		Permanent Fund				
Farmers Market Fund	South Sonora Fund	Greenley Rd Extension Project	Self Insurance Fund	Compensated Absences Fund	Cemetery Perpetual Care Fund	SB2 Planning Grant Fund	Regional Early Action Planning Grant Fund	Total Non-Major Governmental Funds 2022	Total Non-Major Governmental Funds 2021
(4,963)	211,931	175,000	894	259,148	0	(10,083)	(44,250)	1,363,939	1,409,772
1,575	898	0	0	88	525	0	0	237,296	140,702
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	319,995	0	0	1,129,119	833,208
0	0	0	0	0	0	0	0	0	0
(3,388)	212,829	175,000	894	259,236	320,520	(10,083)	(44,250)	2,730,354	2,383,682
1,012	0	0	1,590	0	0	0	0	26,187	44,858
491	0	0	0	0	0	0	0	491	0
0	0	0	0	0	0	0	0	0	0
1,503	0	0	1,590	0	0	0	0	26,678	44,858
0	0	0	0	0	156,214	0	0	156,214	156,214
0	0	0	0	0	0	0	0	1,704,607	1,525,911
0	0	175,000	0	259,236	0	0	0	447,509	92,562
0	212,829	0	0	0	164,306	0	0	912,057	831,865
(4,891)	0	0	(696)	0	0	(10,083)	(44,250)	(516,711)	(267,728)
(4,891)	212,829	175,000	(696)	259,236	320,520	(10,083)	(44,250)	2,703,676	2,338,824
(3,388)	212,829	175,000	894	259,236	320,520	(10,083)	(44,250)	2,730,354	2,383,682

CITY OF SONORA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	Special Revenue							
	Aban-doned Vehicle Funds	Gas Tax Funds	SLESF Cops Fund	Local Trans-portation Fund	Business Improve-ment Benefit Fund	Highway Users' Tax Fund	Historic Preser - vation Fund	Sunrise Hillls Land-scaping Fund
Revenues								
Investment Earnings	0	162	0	628	0	551		427
Intergovernmental	0	91,647	161,285	155,510	0	38,902	0	0
Property Taxes	0	0	0	0	0	0	0	0
Sales Taxes	0	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	0	0
Licenses And Permits	0	0	0	0	36,750	0	0	0
Miscellaneous	5,832	0	0	0	0	0	0	0
Total Revenues	5,832	91,809	161,285	156,138	36,750	39,453	0	427
Expenditures								
General Government	0	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	0	0
Public Works	0	0	0	0	0	0	0	0
Community Development	0	0	0	0	0	9,962	0	2,057
Culture And Leisure	0	0	0	0	24,311	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Debt Service								
Principal	0	0	0	0	0	0	0	0
Interest And Other Charges	0	0	0	0	0	0	0	0
Total Expenditures	0	0	0	0	24,311	9,962	0	2,057
Excess(Deficiency) Of Revenues Over Expenditures	5,832	91,809	161,285	156,138	12,439	29,491	0	(1,630)
Other Financing Sources (Uses)								
Operating Transfers In	0	0	0	0	0	0	0	0
Operating Transfers Out	0	(89,000)	(125,000)	(94,237)	0	0	0	0
Total Other Financing Sources (Uses)	0	(89,000)	(125,000)	(94,237)	0	0	0	0
Extraordinary Gain (Loss) - RDA	0	0	0	0	0	0	0	0
Net Change In Fund Balances	5,832	2,809	36,285	61,901	12,439	29,491	0	(1,630)
Fund Balance - Beginning	23,254	7,407	123,223	168,915	(71,408)	139,244	2,834	129,002
Prior Period Adjustment	0	0	0	0	0	0	0	0
Fund Balance - Ending	29,086	10,216	159,508	230,816	(58,969)	168,735	2,834	127,372

Special Revenue											
Asset Forfeit Fund	Special Sales Tax Fire Fund	Special Sales Tax PW Fund	Fire-Fighters Fund	RSTP Exchange Fund	In Lieu Parking Fund	Certified Access Specialist Program Fund	BSCC Fund	USDA Comm Fac 3 Fund	Stockton Washington Transit Fund	Vision Sonora Fund	Total
4	1,058	1,593	0	116	0	0	0	0	0	0	4,539
0	0	0	82,296	0	0	0	0	0	101,248	0	630,888
0	0	0	0	0	0	0	0	0	0	0	0
0	586,769	352,061	0	0	0	0	0	0	0	0	938,830
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	3,539	0	0	0	0	40,289
0	0	0	0	0	0	0	0	0	0	0	5,832
4	587,827	353,654	82,296	116	0	3,539	0	0	101,248	0	1,620,378
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	74,928	0	0	0	0	0	6,000	0	80,928
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0		0	0	0	12,019
0	0	0	0	0	0	0	0	0	0	0	24,311
0	0	0	0	0	0	0	0	0	22,287	0	22,287
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	74,928	0	0	0	0	0	28,287	0	139,545
4	587,827	353,654	7,368	116	0	3,539	0	0	72,961	0	1,480,833
0	0	0	58,450	0	0	0	0	0	0	207	58,657
0	(500,000)	(315,000)	(58,450)	0	0	0	(5,719)	0	0	0	(1,187,406)
0	(500,000)	(315,000)	0	0	0	0	(5,719)	0	0	207	(1,128,749)
0	0	0	0	0	0	0	0	0	0	0	0
4	87,827	38,654	7,368	116	0	3,539	(5,719)	0	72,961	207	352,084
1,370	269,124	502,674	153,137	34,683	10,439	13,487	5,719	0	(76,445)	28,346	1,465,005
0	0	0	0	0	0	0	0	0	0	0	0
1,374	356,951	541,328	160,505	34,799	10,439	17,026	0	0	(3,484)	28,553	1,817,089

CITY OF SONORA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2021

	Special Revenue							
	Medical Cannabis Fund	SRO Fund	FEMA CAL/OES Fund	PSPD Grant Fund	SB2 Planning Grant Fund	Regional Early Action Planning Grant Fund	Road Maintenance Fund	Dragoon Gulch Fund
Revenues								
Investment Earnings	0	0	0	0	0	0	888	0
Intergovernmental	0	0	0	0	0	0	99,319	0
Property Taxes	0	0	0	0	0	0	0	0
Sales Taxes	0	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	0	12,000
Licenses And Permits	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	11,650
Total Revenues	0	0	0	0	0	0	100,207	23,650
Expenditures								
General Government	0	0	0	0	0	0	0	0
Public Safety	0	0	20,132	0	0	0	0	0
Public Works	0	0	0	0	0	0	35,355	0
Community Development	0	0	0	0	10,083	44,250	0	0
Culture And Leisure	0	0	0	0	0	0	0	11,060
Capital Outlay	0	0	0	96,719	0	0	0	0
Debt Service								
Principal	0	0	0	0	0	0	0	0
Interest And Other Charges	0	0	0	0	0	0	0	0
Total Expenditures	0	0	20,132	96,719	10,083	44,250	35,355	11,060
Excess(Deficiency) Of Revenues Over Expenditures	0	0	(20,132)	(96,719)	(10,083)	(44,250)	64,852	12,590
Other Financing Sources (Uses)								
Operating Transfers In	3,428	75,128	20,132	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	3,428	75,128	20,132	0	0	0	0	0
Extraordinary Gain (Loss) - RDA	0	0	0	0	0	0	0	0
Net Change In Fund Balances	3,428	75,128	0	(96,719)	(10,083)	(44,250)	64,852	12,590
Fund Balance - Beginning	(3,428)	(75,128)	0	135,054	0	0	233,234	6,946
Prior Period Adjustment	0	0	0	0	0	0	0	0
Fund Balance - Ending	0	0	0	38,335	(10,083)	(44,250)	298,086	19,536

Capital Projects					Internal Service		Permanent Fund		
PEG Capital Fees Fund	Washington Elkington Fund	Farmers Market Fund	South Sonora Fund	Greenley Rd Extension Project	Self Insurance Fund	Compensated Absences Fund	Cemetery Perpetual Care Fund	Total Non-Major Governmental Funds 2022	2021
55	0	0	700	0	0	201	1,057	7,440	10,768
0	0	0	0	175,000	0	0	0	905,207	1,187,835
0	0	0	8,060	0	0	0	0	8,060	20,422
0	0	0	0	0	0	0	0	938,830	860,973
0	0	0	0	0	0	0	0	12,000	12,000
0	0	0	0	0	0	0	0	40,289	69,067
5,754	0	28,305	0	0	0	0	2,530	54,071	26,433
5,809	0	28,305	8,760	175,000	0	201	3,587	1,965,897	2,187,498
0	0	0	0	0	0	0	0	0	8,527
0	0	0	0	0	0	0	0	101,060	144,630
1,604	0	0	0	175,000	36,296	0	0	248,255	61,868
0	0	27,637	1,484	0	0	0	0	95,473	10,506
0	0	0	0	0	0	0	0	35,371	69,030
0	359,274	0	0	0	0	0	0	478,280	780,081
								0	
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
1,604	359,274	27,637	1,484	175,000	36,296	0	0	958,439	1,074,642
4,205	(359,274)	668	7,276	0	(36,296)	201	3,587	1,007,458	1,112,856
0	0	0	0	175,000	36,296	179,746	0	548,387	337,754
0	0	0	0	0	0	0	(3,587)	(1,190,993)	(1,033,326)
0	0	0	0	175,000	36,296	179,746	(3,587)	(642,606)	(695,572)
0	0	0	0	0	0	0	0	0	0
4,205	(359,274)	668	7,276	175,000	0	179,947	0	364,852	417,284
13,098	(35,064)	(5,559)	205,553	0	(696)	79,289	320,520	2,338,824	1,921,540
0	0	0	0	0	0	0	0	0	0
17,303	(394,338)	(4,891)	212,829	175,000	(696)	259,236	320,520	2,703,676	2,338,824

OTHER REPORTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The City Council
City of Sonora
State of California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Sonora, State of California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Sonora, State of California's basic financial statements and have issued our report thereon dated December 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Sonora, State of California's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Sonora, State of California's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Sonora, State of California's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sonora, State of California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gallagher Gatewood

GALLAGHER GATEWOOD, A PROFESSIONAL ACCOUNTANCY CORPORATION

Modesto, California
December 28, 2022