CITY OF SONORA, CALIFORNIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

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, 2023, 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, 2023, 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
February 2, 2024

CITY OF SONORA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

This discussion and analysis of the City of Sonora's (City) financial performance for the fiscal year ended June 30, 2023, 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 $21,452,541 an increase of $5,528,842 from fiscal year 2022. This increase is primarily due to the completion of the Washington Elkin Project, the start of construction of the Washington Transit Project, receiving the second tranche of the State and Local Fiscal Recovery Funds and the passage of Measure Y, the 1% sales tax in the City.

- General Fund revenues exceeded General Fund expenditures, including transfers, by $1,596,928. Revenues exceeded expenditures primarily due to the second tranche of the State and Local Fiscal Recovery Funds in 2023, of $581,786, and the $600,163 of Measure Y revenues that were unspent in FY22/23. City General Fund revenue totaled $11,002,204, including transfers in, and General Fund expenses totaled $9,405,276, including transfers out, for fiscal year 2023. Public safety (police and fire protection) costs comprised $5,271,524 or 56% of this amount.

- The City's General Fund ended the year with a fund balance of $5,093,171, an increase of $1,596,928 from the previous year. Including transfers in and out, revenues were $573,352 more than budgeted and Expenditures were $826,024 less than budgeted, the bulk of the unexpended funds were the result of budgeted, but unfilled positions.

- At June 30, 2023, the City had fully funded its reserves, 25% of adjusted appropriations for the next fiscal year.

- 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 $2,316,174 of revenue in 2023 versus $2,347,075 in 2022, a decrease of $30,901. This revenue was used exclusively for the Police, Fire and Public Works departments.

- City residents passed Measure Y in 2022. This is a general sales tax that will provide the City approximately $4 million in annual revenues. In May of 2023 the

City began receiving its first revenues from Measure Y. For the year the City received $600,163. Fiscal Year 2023/24 will be the first full year of Measure Y revenue for the City.

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, 2022 through June 30, 2023 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, 2023 and 2022.

City of Sonora
Changes in Net Assets
For the Years Ended June 30, 2023 and 2022

			Total	
	2023	**2022**	**2023**	**2022**
Current and Other Assets	16,482,137	13,801,124	16,482,137	13,801,124
Capital Assets, Net of Acc Depreciation	18,200,176	17,460,424	18,200,176	17,460,424
Total Assets	34,682,313	31,261,548	34,682,313	31,261,548
Deferred Outflows of Resources	4,870,636	1,657,947	4,870,636	1,657,947
Long Term Liabilities Outstanding	-	-	-	-
Other Liabilities	15,760,505	9,892,185	15,760,505	9,892,185
Total Liabilities	15,760,505	9,892,185	15,760,505	9,892,185
Deferred Inflow of Resources	2,718,257	7,103,614	2,718,257	7,103,614
Net Assets				
Invested Capital Assets, Net of debt	18,200,176	17,460,424	18,200,176	17,460,424
Restricted	7,807,750	6,880,996	7,807,750	6,880,996
Unrestricted	(4,933,739)	(8,417,721)	(4,933,739)	(8,417,721)
Total Net Assets	21,074,187	15,923,699	21,074,187	15,923,699

- Compared to the prior year, Total net assets of the City's governmental activities increase by $5,150,488 or (32%). 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, $18,200,176 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 are still outstanding.

- Restricted net assets of $7,807,750 represent 37% 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 ($4,933,739) 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 $2,537,633. Below is a table showing the governmental activities of the City for the years ended June 30, 2023 and 2022.

Changes in Net Assets
For the Years Ended June 30, 2023 and 2022

			Total	
	2023	2022	2023	2022
Revenues				
Property Tax	1,205,042	1,154,730	1,205,042	1,154,730
Sales Tax	6,366,783	5,843,336	6,366,783	5,843,336
Other Taxes and Franchises	1,648,534	1,394,344	1,648,534	1,394,344
Licenses and Permits	208,358	158,994	208,358	158,994
Fines and Forfeitures	32,489	25,699	32,489	25,699
Investment Earnings	249,975	88,336	249,975	88,336
Intergovernmental	2,720,849	1,502,913	2,720,849	1,502,913
Rental Income	79,959	73,677	79,959	73,677
Service Charges And Miscellaneous	770,298	384,689	770,298	384,689
Total Revenues	13,282,287	10,626,718	13,282,287	10,626,718
Expenditures				
General Government	1,526,158	1,570,251	1,526,158	1,570,251
Public Safety	5,444,072	5,131,452	5,444,072	5,131,452
Public Works	1,077,367	1,178,093	1,077,367	1,178,093
Community Development (Building & Planning)	990,609	796,658	990,609	796,658
Culture and Leisure	55,901	78,044	55,901	78,044
Principal Payment on Long Term Debt	-	-	-	-
Interest on Long Term Debt	-	-	-	-
Capital Outlay	1,671,998	1,163,355	1,671,998	1,163,355
Total Expenses	10,766,105	9,917,853	10,766,105	9,917,853
Excess (Deficiency) of Revenues over Expenditures	2,516,182	708,865	2,516,182	708,865
Other Financing Sources (Uses)	21,451	21,450	21,451	21,450
Fund Balance at Beginning of Fiscal Year	12,720,982	11,990,667	12,720,982	11,990,667
Prior Period Adjustment - See Note F	-	-	-	-
Fund Balance at End of Fiscal Year	15,258,615	12,720,982	15,258,615	12,720,982

Total governmental revenues for the year increased by $2,655,569 or 25% over fiscal year 2023. The overall increase in revenue is a result of receiving State and Local Fiscal Recovery Funds for COVID-19 relief, the first Measure Y revenues and a return to pre-pandemic Transient Occupancy Revenues.

Total governmental expenses for the year were $10,766,105 an increase of $848,252 or 9% from fiscal year 2022, the primary reason for increased costs was due to inflation pressures in the economy. Public safety, which includes police and fire protection accounts for $5,444,072 or 51% of the total governmental activities expensed. Significant changes in expense activity are a result of the following activities:

- Public Safety increased by a total of $312,620. The increases in the department were primarily related to staffing-related changes.
- Community Development expenditures increased by $193,951 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 $15,258,621. This is an increase of $2,537,639 from the prior year due to additional revenues, as stated above, in fiscal year 2023.

Major fund balance changes are noted below:

- General Fund revenues exceeded expenditures and transfers by $1,596,928 largely as a result of COVID-19 related funding, Measure Y revenues, post-pandemic return to normal business activities and unfilled positions. General Fund revenues totaled $11,002,204 (including transfers). Police and fire protection costs were $5,271,524 or 56% of total General Fund expenditures.

- The creation of a Special Sales and Use Tax District (Measure I) provided sales tax revenue of $2,316,174 in fiscal year 2023. This revenue was used to support operations in the police department, fire department and public works department. The allocation of this revenue was $1,389,704 for Police, $579,044 for Fire and $347,426 for Public Works Departments.

- In 2022, the City's residents voted on and passed Measure Y a 1% general sales tax, with a 20-year sunset date. This revenue will provide the City with approximately an additional $4 million annually. In 2023, Measure Y generated $600,163.

- 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 $7,940,402 while actual revenue as $8,513,754. The budgeted General Fund expenditures were $9,571,800 and actual expenditures were $8,955,289. When taking into account transfers in and out of $2,488,450 and $449,987, respectively, the general fund ended the year with excess revenues over expenditures of $1,596,928. The excess revenues over expenditures were due to the collection of two months of Measure Y, the second tranche of State and Local Fiscal Recovery Funds, continued budgeted positions that remained unfilled.

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, 2023, the City had $18,200,176 invested in a broad range of capital assets, including land, construction in progress, buildings, equipment and infrastructure. This amount represents a net increase of $739,754 or a 4% increase from the prior year.

The table below sets forth the City's net asset investment as of June 30, 2023 and 2022.

City of Sonora
Capital Assets (Net of Depreciation)
For the Years Ended June 30, 2023 and 2022

			Total	
	2023	2022	2023	2022
Land	3,932,356	3,932,356	3,932,356	3,932,356
Construction in Progress	1,862,903	944,080	1,862,903	944,080
Building and Improvements	1,782,304	1,951,231	1,782,304	1,951,231
Equipment and Vehicles	780,923	1,083,980	780,923	1,083,980
Infrastructure	9,841,690	9,548,775	9,841,690	9,548,775
Total	18,200,176	17,460,422	18,200,176	17,460,422

Long-term Debt. At year-end, the City's governmental activities had $1,094,334 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, 2023, and 2022.

City of Sonora
Long Term Debt
For the Years Ended June 30, 2023 and 2022

	Government Activities		Total	
	2023	2022	2023	2022
Compensated Absences	1,094,334	1,036,593	1,094,334	1,036,593
Total	1,094,334	1,036,593	1,094,334	1,036,593

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 2024 ECONOMIC FACTORS

In preparing the budget for fiscal year 2024, 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 2024 as the macro economy has seen inflationary pressures and increases in interest rates. Sales tax continues to be the largest city revenue source.

- The City will benefit from Measure Y for the full year. The 1% general sales tax will provide approximately $4 million annually to the City's General Fund.

- 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. The special district sales tax is expected to generate approximately $2,205,500 in revenue in fiscal year 2024.

- Property tax revenue is projected to be increase approximately 4% in 2023 compared to 2022 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 2023, CalPERS lost (6.1%) on investments. These losses will increase the required City contribution in FY 2024-25 and FY 2025-26. For the past several years the City has been budgeting contributions to a California Employer's Pension Prefunding Trust (CEPPT), a Section 115 Trust. The City of Sonora has taken steps to reserve funds for future pension obligations to ensure that future CalPERS shortfalls do not crowd out funding for other public services, such as police and fire.

For fiscal year 2024, the City's General Fund revenues are projected to be approximately $13,568,000 compared to 2023 actuals of $11,001,204, an increase of $2,566,796, 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 May 1, 2023.

In 2024 General fund expenditures are budgeted to be $10,754,025, an increase of $1,798,736 or 20% over fiscal year 2023 actual of $8,955,289. A balanced General Fund budget was adopted for fiscal year 2024.

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2022

	Primary Government		
	Governmental Activities	Totals 2023	2022
ASSETS			
Cash And Investments	10,534,472	10,534,472	7,997,302
Accounts Receivable	1,359,519	1,359,519	1,180,245
Interest Receivable	974,136	974,136	802,085
Loans Receivable	1,544,500	1,544,500	1,771,622
Prepaid Expenses	33,274	33,274	33,274
Restricted Cash	2,036,236	2,036,236	2,016,596
Receivable From Successor RDA Fund	0	0	0
Capital Assets (Net Of Accumulated Depreciation):			
Land	3,932,356	3,932,356	3,932,356
Construction In Progress	1,862,903	1,862,903	944,080
Buildings And Improvements	1,782,304	1,782,304	1,951,232
Equipment And Vehicles	1,159,277	1,159,277	1,083,980
Infrastructure	9,841,690	9,841,690	9,548,776
Total Assets	35,060,667	35,060,667	31,261,548
DEFERRED OUTFLOWS OF RESOURCES	4,870,636	4,870,636	1,657,947
LIABILITIES			
Accounts Payable And Other Current Liabilities	1,223,516	1,223,516	1,080,142
Compensated Absences	1,094,334	1,094,334	1,036,593
Other Post Employment Obligations (Asset)	420,669	420,669	415,345
Net Pension Liability	13,021,986	13,021,986	7,360,102
Long-Term Liabilities:			
Due Within One Year	0	0	0
Due In More Than One Year	0	0	0
Total Liabilities	15,760,505	15,760,505	9,892,182
DEFERRED INFLOWS OF RESOURCES	2,718,257	2,718,257	7,103,614
NET POSITION			
Invested In Capital Assets Net Of Related Debt	18,578,530	18,578,530	17,460,424
Restricted For			
Capital Projects	2,782,580	2,782,580	2,002,906
Community Development Projects	3,911,888	3,911,888	3,662,775
Revenue Bond Debt Service	0	0	0
Other Purposes	701,242	701,242	894,795
Perpetual Care:			
Expendable	159,585	159,585	164,306
Nonexpendable	156,214	156,214	156,214
Unrestricted	(4,837,498)	(4,837,498)	(8,417,721)
Total Net Position	21,452,541	21,452,541	15,923,699

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses
Primary Government:	
Governmental Activities:	
General Government	1,449,371
Public Safety	4,328,714
Public Works	856,280
Community Development	949,941
Culture And Leisure	190,590
Interest On Long-Term Debt	0
Total Governmental Activities	7,774,896
Total Primary Government	7,774,896

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 2023	2022
678,671	36,865	0	(733,835)	(733,835)	(1,058,903)
85,243	208,961	0	(4,034,510)	(4,034,510)	(5,882,252)
1,090,080	0	1,488,792	1,722,592	1,722,592	(662,332)
70,976	0	0	(878,965)	(878,965)	(924,192)
49,584	0	0	(141,006)	(141,006)	(165,629)
0	0	0	0	0	0
1,974,554	245,826	1,488,792	(4,065,724)	(4,065,724)	(8,693,308)
1,974,554	245,826	1,488,792	(4,065,724)	(4,065,724)	(8,693,308)
General Revenues:					
Taxes:					
Property Tax			1,205,042	1,205,042	1,154,730
Sales Tax			6,366,783	6,366,783	5,874,494
Cannabis Public Benefit Fee			635,347	635,347	499,977
Transient Lodging Tax			682,409	682,409	559,545
Franchise Tax			145,854	145,854	141,478
Motor Fuel Tax			102,781	102,781	91,647
Other Taxes			184,924	184,924	193,344
Investment Earnings			249,975	249,975	88,336
Gain/(Loss) On Sale of Assets			0	0	0
Transfers			21,451	21,451	21,450
Total General Revenues And Transfers			9,594,566	9,594,566	8,625,001
Change In Net Position			5,528,842	5,528,842	(68,307)
Net Position - Beginning			15,923,699	15,923,699	15,992,006
Net Position - Ending			21,452,541	21,452,541	15,923,699

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	General	CDBG	Special Sales Tax PD Fund
Assets			
Cash And Investments	4,481,509	1,701,665	0
Accounts Receivable	954,017	0	122,856
Interest Receivable	27,318	604,428	7,245
Loans Receivable	0	982,469	0
Prepaid Expenses	33,274	0	0
Restricted Cash	0	0	1,000,761
Due From Successor RDA Fund	0	0	0
Total Assets	5,496,118	3,288,562	1,130,862
Liabilities			
Accounts Payable	200,342	544	0
Other Liabilities	202,605	0	0
Due To Other Funds	0	0	0
Total Liabilities	402,947	544	0
Fund Balances			
Nonspendable	33,274	0	0
Restricted	0	3,288,018	1,130,862
Committed	0	0	0
Assigned	0	0	0
Unassigned	5,059,897	0	0
Total Fund Balances	5,093,171	3,288,018	1,130,862
Total Liabilities And Fund Balances	5,496,118	3,288,562	1,130,862

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Low/Moderate Income Housing Fund	Mitigation Fees Fund	Other Funds	Total Governmental Funds 2023	2022
796,515	1,108,037	2,446,746	10,534,472	7,997,302
0	7,520	275,126	1,359,519	1,180,245
335,145	0	0	974,136	802,085
562,031	0	0	1,544,500	1,771,622
0	0	0	33,274	33,274
0	0	1,035,475	2,036,236	2,016,596
0	0	0	0	0
1,693,691	1,115,557	3,757,347	16,482,137	13,801,124
0	579,076	240,949	1,020,911	771,280
0	0	0	202,605	308,862
0	0	0	0	0
0	579,076	240,949	1,223,516	1,080,142
0	0	156,214	189,488	189,488
1,693,691	536,481	2,237,648	8,886,700	8,225,670
0	0	461,867	461,867	447,509
0	0	1,044,196	1,044,196	912,057
0	0	(383,527)	4,676,370	2,946,258
1,693,691	536,481	3,516,398	15,258,621	12,720,982
1,693,691	1,115,557	3,757,347	16,482,137	13,801,124

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, 2023

Total fund balances - governmental funds		15,258,621
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	1,862,903	
Buildings and improvements, net of $5,937,280 accumulated depreciation	1,782,304	
Equipment and vehicles, net of $3,332,121 accumulated depreciation	1,159,277	
Infrastructure, net of $3,474,990 accumulated depreciation	9,841,690	
Total capital assets		18,578,530
Deferred Outlflow of Resources		4,870,636
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	(420,669)	
Compensated absences	(1,094,334)	
Net Pension Liability	(13,021,986)	
Deferred Inflows of Resources	(2,718,257)	
Total long-term liabilities		(17,255,246)
Total net position - governmental activities		21,452,541

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	General	CDBG	Special Sales Tax PD Fund
Revenues			
Property Tax	1,197,094	0	0
Sales Tax	4,050,609	0	1,389,704
Other Tax And Franchises	1,648,534	0	0
Licenses And Permits	167,071	0	0
Fines And Forfeitures	32,489	0	0
Investment Earnings	65,949	53,540	20,398
Intergovernmental	581,780	0	0
Rental Income	67,959	0	0
Service Charges And Miscellaneous	702,269	0	0
Total Revenues	8,513,754	53,540	1,410,102
Expenditures			
General Government	1,526,158	0	0
Public Safety	5,271,524	0	0
Public Works	1,009,988	0	0
Community Development	879,251	11,911	0
Culture And Leisure	45,231	0	0
Debt Service			
Principal	0	0	0
Interest And Other Charges	0	0	0
Capital Outlay	223,137	0	0
Total Expenditures	8,955,289	11,911	0
Excess (Deficiency) Of Revenues Over Expenditures	(441,535)	41,629	1,410,102
Other Financing Sources (Uses)			
Operating Transfers In	2,488,450	0	0
Operating Transfers Out	(449,987)	(87,331)	(1,300,000)
Total Other Financing Sources (Uses)	2,038,463	(87,331)	(1,300,000)
Net Change In Fund Balances	1,596,928	(45,702)	110,102
Fund Balance - Beginning	3,496,243	3,333,720	1,020,760
Prior Period Adjusments - See Notes	0	0	0
Fund Balance- Ending	5,093,171	3,288,018	1,130,862

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

Low/Moderate Income Housing Fund	Mitigation Fees Fund	Other Funds	Total Governmental Funds 2023	2022
0	0	7,948	1,205,042	1,154,730
0	0	926,470	6,366,783	5,843,336
0	0	0	1,648,534	1,394,344
0	0	41,287	208,358	158,994
0	0	0	32,489	25,699
34,307	20,955	54,826	249,975	88,336
0	0	2,139,069	2,720,849	1,502,895
0	0	12,000	79,959	73,677
0	17,004	51,025	770,298	384,707
34,307	37,959	3,232,625	13,282,287	10,626,718
0	0	0	1,526,158	1,570,251
0	0	172,548	5,444,072	5,131,452
0	0	67,379	1,077,367	1,178,093
8,677	0	90,770	990,609	796,658
0	0	10,670	55,901	78,044
0	0	0	0	0
0	0	0	0	0
0	0	1,448,861	1,671,998	1,163,355
8,677	0	1,790,228	10,766,105	9,917,853
25,630	37,959	1,442,397	2,516,182	708,865
0	0	594,181	3,082,631	3,002,380
0	0	(1,223,862)	(3,061,180)	(2,980,930)
0	0	(629,681)	21,451	21,450
25,630	37,959	812,716	2,537,633	730,315
1,668,061	498,522	2,703,682	12,720,988	11,990,667
0	0	0	0	0
1,693,691	536,481	3,516,398	15,258,621	12,720,982

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, 2023

Net change in fund balances - total governmental funds	2,537,633
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 ($1,671,998) exceeded depreciation ($519,467) in the current period.	1,152,531
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.	(152,771)
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.	1,991,449
Changes in net positions of governmental activities	5,528,842

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
	Original	Final	Actual	(Under)	Actual
REVENUES					
Property Tax	1,124,500	1,128,000	1,197,094	69,094	1,146,670
Sales Tax	5,710,405	3,925,100	4,050,609	125,509	3,496,261
Other Tax And Franchise Fees	1,368,200	1,460,200	1,648,534	188,334	1,394,344
Licenses And Permits	116,850	156,850	167,071	10,221	118,705
Intergovernmental	0	581,786	581,780	(6)	581,768
Fines And Forfeitures	15,000	25,900	32,489	6,589	25,699
Investment Earnings	0	41,000	65,949	24,949	7,636
Rental Income	0	66,400	67,959	1,559	61,677
Service Charges And Miscellaneous	73,600	554,066	702,269	148,203	330,636
Total Revenues	8,408,555	7,939,302	8,513,754	574,452	7,163,396
EXPENDITURES					
General Government	1,691,500	1,685,100	1,526,158	(158,942)	1,570,251
Public Safety	5,450,450	5,664,650	5,271,524	(393,126)	5,030,392
Transportation/Public Works	1,054,650	1,081,350	1,009,988	(71,362)	929,838
Community Development	735,600	953,100	879,251	(73,849)	693,020
Culture And Leisure	49,100	49,100	45,231	(3,869)	42,673
Capital Outlay		139,500	223,137	83,637	685,075
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	8,981,300	9,572,800	8,955,289	(617,511)	8,951,249
Excess (Deficiency) Of Revenues Over Expenditures	(572,745)	(1,633,498)	(441,535)	1,191,963	(1,787,853)
OTHER FINANCING SOURCES (USES)					
Transfers In		2,488,450	2,488,450	0	2,453,993
Transfers Out		(659,500)	(449,987)	209,513	(66,428)
Total Other Financing Sources And (Uses)	0	1,828,950	2,038,463	209,513	2,387,565
Net Change In Fund Balance	(572,745)	195,452	1,596,928	1,401,476	599,712
Fund Balance - Beginning	3,496,243	3,496,243	3,496,243	0	2,896,531
Prior Period Adjustment	0	0	0	0	0
Fund Balance - Ending	2,923,498	3,691,695	5,093,171	1,401,476	3,496,243

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
General Government	Original	Final	Actual	(Under)	Actual
Legislative					
Employee Services	8,400	8,400	8,313	(87)	8,402
Supplies And Services	209,800	201,800	154,378	(47,422)	213,528
Total Legislative	218,200	210,200	162,691	(47,509)	221,930
Administration					
Employee Services	1,056,150	1,010,900	968,332	(42,568)	939,192
Supplies And Services	324,250	371,100	318,010	(53,090)	320,258
Capital Outlay	0	0	0	0	378,121
Total Administration	1,380,400	1,382,000	1,286,342	(95,658)	1,637,571
Opera Hall					
Employee Services	17,900	12,200	9,803	(2,397)	17,719
Supplies And Services	31,200	36,900	35,428	(1,472)	24,954
Total Opera Hall	49,100	49,100	45,231	(3,869)	42,673
Sunrise Hills					
Supplies And Services	0	0	0	0	0
Total Sunrise Hills	0	0	0	0	0
Non-Departmental					
Facilities					
Supplies And Services	23,850	23,850	21,687	(2,163)	30,427
Capital Outlay	0	0	0	0	0
Total Facilities	23,850	23,850	21,687	(2,163)	30,427
Cemetery					
Employee Services	37,000	34,500	25,029	(9,471)	30,081
Supplies And Services	10,600	13,100	8,959	(4,141)	6,913
Capital Outlay	0	0	0	0	0
Total Cemetery	47,600	47,600	33,988	(13,612)	36,994
Successor Agency Administration					
Employee Services	21,150	21,350	21,450	100	21,450
Supplies And Services	300	100	0	(100)	0
Total Successor Agency Admin	21,450	21,450	21,450	0	21,450
Total General Government	1,740,600	1,734,200	1,571,389	(162,811)	1,991,045

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
	Original	Final	Actual	(Under)	Actual
Public Safety					
Police					
Employee Services	3,319,800	3,512,300	3,230,466	(281,834)	3,111,749
Supplies And Services	501,350	503,850	436,824	(67,026)	403,734
Capital Outlay	74,000	139,500	210,992	71,492	175,616
Total Police	3,895,150	4,155,650	3,878,282	(277,368)	3,691,099
Fire					
Employee Services	1,431,600	1,438,850	1,432,485	(6,365)	1,346,131
Supplies And Services	197,700	209,650	171,749	(37,901)	168,778
Capital Outlay	0	0	0	0	0
Total Fire	1,629,300	1,648,500	1,604,234	(44,266)	1,514,909
Total Public Safety	5,524,450	5,804,150	5,482,516	(321,634)	5,206,008
Transportation					
Public Works					
Employee Services	701,700	691,800	681,733	(10,067)	633,626
Supplies And Services	307,550	344,150	292,147	(52,003)	251,486
Capital Outlay	0	0	12,145	12,145	85,024
Total Public Works	1,009,250	1,035,950	986,025	(49,925)	970,136
Parks Landscape					
Supplies And Services	33,200	33,200	25,574	(7,626)	33,083
Total Parks Landscape	33,200	33,200	25,574	(7,626)	33,083
Parking Lots					
Supplies And Services	12,200	12,200	10,534	(1,666)	11,643
Total Parking Lots	12,200	12,200	10,534	(1,666)	11,643
Total Transportation	1,054,650	1,081,350	1,022,133	(59,217)	1,014,862
Community Development					
Building And Planning					
Employee Services	381,500	363,250	327,113	(36,137)	327,476
Supplies And Services	294,100	357,350	307,014	(50,336)	218,571
Capital Outlay	0	0	0	0	46,314
Total Building And Planning	675,600	720,600	634,127	(86,473)	592,361
Engineering					
Supplies And Service	60,000	110,000	93,027	(16,973)	36,950
Total Engineering	60,000	110,000	93,027	(16,973)	36,950
Visit Tuolumne County	0	122,500	152,097	29,597	110,023
Total Visit Tuolumne County	0	122,500	152,097	29,597	110,023
Total Community Development	735,600	953,100	879,251	(103,446)	739,334
Total General Fund	9,055,300	9,572,800	8,955,289	(617,511)	8,951,249

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
	Original	Final	Actual	(Under)	Actual
REVENUES					
Interest Income	57,350	52,200	53,540	1,340	42,008
Intergovernmental	0	0	0	0	0
Rental Income	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	57,350	52,200	53,540	1,340	42,008
EXPENDITURES					
Salaries	15,000	12,000	9,228	(2,772)	0
Benefits	3,700	3,500	2,561	(939)	0
Supplies And Services	250	250	122	(128)	0
Capital Outlay	0	300,000	0	(300,000)	0
Bad Debt Expense	0	0	0	0	0
Total Expenditures	18,950	315,750	11,911	(303,839)	0
Excess (Deficiency) Of Revenues Over Expenditures	38,400	(263,550)	41,629	305,179	42,008
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	(124,000)	(90,000)	(87,331)	(2,669)	(248,509)
Total Other Financing Sources (Uses)	(124,000)	(90,000)	(87,331)	(2,669)	(248,509)
Net Change In Fund Balance	(85,600)	(353,550)	(45,702)	307,848	(206,501)
Fund Balance - Beginning	3,333,720	3,333,720	3,333,720	0	3,540,221
Prior Period Adjustment	0	0	0	0	0
Fund Balance - Ending	3,248,120	2,980,170	3,288,018	307,848	3,333,720

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
	Original	Final	Actual	(Under)	Actual
REVENUES					
Investment Earnings	2,500	15,000	20,398	5,398	3,080
Sales Tax	1,387,980	1,387,980	1,389,704	1,724	1,408,245
Miscellaneous	0	0	0	0	0
Total Revenues	1,390,480	1,402,980	1,410,102	7,122	1,411,325
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	1,390,480	1,402,980	1,410,102	7,122	1,411,325
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	(1,300,000)	(1,300,000)	(1,300,000)	0	(1,300,000)
Total Other Financing Sources (Uses)	(1,300,000)	(1,300,000)	(1,300,000)	0	(1,300,000)
Net Change In Fund Balance	90,480	102,980	110,102	7,122	111,325
Fund Balance - Beginning	1,020,760	1,020,760	1,020,760	0	909,435
Fund Balance - Ending	1,111,240	1,123,740	1,130,862	7,122	1,020,760

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
	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	32,000	34,307	2,307	24,452
Total Revenues	24,500	32,000	34,307	2,307	24,452
EXPENDITURES					
Salaries	12,000	12,000	2,247	(9,753)	1,868
Benefits	4,500	4,600	1,200	(3,400)	619
Supplies And Services	53,800	56,700	5,230	(51,470)	5,678
Capital Outlay	0	0	0	0	0
Total Expenditures	70,300	73,300	8,677	(64,623)	8,165
Excess (Deficiency) Of Revenues Over Expenditures	(45,800)	(41,300)	25,630	66,930	16,287
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change In Fund Balance	(45,800)	(41,300)	25,630	66,930	16,287
Fund Balance - Beginning		1,668,061	1,668,061	0	1,651,774
Fund Balance - Ending	(45,800)	1,626,761	1,693,691	66,930	1,668,061

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	2023				
	Budgeted Amounts			Variance With Final Budget Over	2022
	Original	Final	Actual	(Under)	Actual
REVENUES					
Investment Earnings	3,000	15,000	20,955	5,955	3,720
Intergovernmental	0	0	0	0	15,920
Miscellaneous	0	0	17,004	17,004	0
Total Revenues	3,000	15,000	37,959	22,959	19,640
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	3,000	15,000	37,959	22,959	19,640
Other Financing Sources (Uses)					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	(175,000)	0	0	0	(175,000)
Total Other Financing Sources (Uses)	(175,000)	0	0	0	(175,000)
Net Change In Fund Balance	(172,000)	15,000	37,959	22,959	(155,360)
Fund Balance - Beginning	498,522	498,522	498,522	0	653,882
Fund Balance - Ending	326,522	513,522	536,481	22,959	498,522

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SONORA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	Agency Fund			Totals (Memorandum Only)	
	Sunrise Hills	Successor RDA Fund	RDA Fund	2023	2022
Assets					
Cash And Investments	52,623	393,247	0	445,870	140,702
Accounts Receivable	0	117,994	0	117,994	301,855
Capital Assets, net	0	0	0	0	0
Total Assets	52,623	511,241	0	563,864	442,557
Liabilities					
Accounts Payable	0	0	0	0	78,955
Due To Other Government Funds	0	0	0	0	0
Bonds Payable	52,623	0	0	52,623	51,151
Total Liabilities	52,623	0	0	52,623	130,106
Net Position	0	511,241	0	511,241	312,451

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, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

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, 2023, 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		3,288,018					3,288,018
Public Safety			1,130,862			661,407	1,792,269
Community Development					536,481		536,481
Public Housing				1,693,691			1,693,691
Transportation						549,936	549,936
Public Works						774,763	774,763
Fleet Replacement						200,000	200,000
CalPERS Pension Trust						226,542	226,542
Committed To:							
Historic Preservation						2,844	2,844
In-Lieu Parking						10,439	10,439
Compensated Abs Reserve						273,584	273,584
Assigned To:							
Vehicle Abatement						29,087	29,087
Landscaping						127,303	127,303
RSTP						35,467	35,467
Farmers Market						1,633	1,633
Road Maintenance						419,783	419,783
South Sonora						223,381	223,381
Other Purposes	0					207,542	207,542
Unassigned:	5,059,897		0			(383,527)	4,676,370
Total Fund Balances	5,093,171	3,288,018	1,130,862	1,693,691	536,481	3,516,398	15,258,621

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, 2023 there were no services that the expenditures exceeded appropriations in a few services as follows:

C. Deficit Fund Equity

The Self Insurance fund has a deficit fund balance of $696 as of June 30, 2023 will be reimbursed with future funds. The Business Improvement Benefit Fund has a deficit fund balance of $196 as of June 30, 2023. 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. FEMA CAL/OES fund has a deficit fund balance of $50,266 as of June 30, 2023, and will be reimbursed by future reimbursements. Stockton/Washington Transit fund has a deficit fund balance of $266,603 as of June 30, 2023, and will be future reimbursements. CCD Per Capital Grant fund has a deficit fund balance of $952 as of June 30, 2023, and will be reimbursed with future revenues. Local Early Action fund has a deficit fund balance of $22,830, and will be reimbursed with future revenue. SB2 Planning Grant fund has a deficit fund balance of $34,119 as of June 30, 2023, and will be reimbursed with future funds. Regional Early Action Planning fund has a deficit fund balance of $7,865 as of June 30, 2023, and will be reimbursed with future funds.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Cash and investments	10,927,719
Restricted Cash	2,036,236
Total cash and investments	12,963,955
Investment in Local Agency Investment Fund (LAIF)	9,453,895
Deposits with financial institutions	3,509,860
Cash on hand	200
Total cash and investments	12,963,955

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 8.54 months.

		Maturity Date
State investment pool	$ 9,453,746	8.54 months average maturity
Total	$ 9,453,746	

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, 2023 is $2,036,236. This consists of the Cemetery Fund endowment $156,214, the Special Sales Tax Police Fund of $1,000,761, the Special Sales Tax Fire Fund of $339,404 and the Special Sales Tax Public Works Fund of $539,857.

.**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, 2023 are $1,077,710 (CDBG Fund) and $586,086 (Low/Moderate Income Housing Fund).

However, the City has recorded an allowance for uncollectible accounts totaling $96,241 and $24,055 respectively, therefore reporting $982,469 and $562,031, respectively on the City's financial statements.

C. Receivables

Receivables as of June 30, 2023 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	27,318	508,187	7,245	335,145	0	19,742	897,637
Taxes	951,017	0	122,856	0	0	94,461	1,168,334
Grants	0	0	0	0	0	150,054	150,054
Accounts	0	0	0	0	7,520	10,869	18,389
Total	978,335	508,187	130,101	335,145	7,520	275,126	2,234,414

D. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	3,932,356	0	0	3,932,356
Construction in progress	944,080	1,414,436	(495,613)	1,862,903
Total capital assets not being	4,876,436	1,414,436	(495,613)	5,795,259
Capital assets being depreciated:				
Buildings and improvements	7,719,583	0	0	7,719,583
Equipment and vehicles	4,268,262	223,137	(378,354)	4,113,045
Infrastructure	12,821,067	495,613	0	13,316,680
Total capital assets being depreciated	24,808,912	718,750	(378,354)	25,149,308
Less accumulated depreciation for:				
Buildings and improvements	(5,768,352)	(168,928)	0	(5,937,280)
Equipment and vehicles	(3,184,282)	(147,840)	378,354	(2,953,768)
Infrastructure	(3,272,292)	(202,699)	0	(3,474,991)
Total accumulated depreciation	(12,224,926)	(519,467)	378,354	(12,366,039)
Net capital assets being depreciated	12,583,986	199,283	0	12,783,269
Total net capital assets - governmental	17,460,422	1,613,719	(495,613)	18,578,528

D. Capital Assets (continued)

Depreciation was charged to functions/programs of governmental activities for the year ended June 30, 2023 as follows:

General Government	144,724
Public Safety	80,155
Public Works	27,064
Community Development	132,175
Culture and Leisure	135,349
Total Depreciation Expense – Governmental	519,467

E. Transfers

Interfund transfers for the year ended June 30, 2023 consisted of the following amounts:

Fund	Transfer In	Transfer Out
General Fund	2,488,450	449,987
CDBG Fund	0	87,331
Special Sales Tax-Police	0	1,300,000
Mitigation Fees	0	0
Gas Tax Fund	0	105,000
SLESF	0	175,000
LTF	0	56,862
Business Improvement Benefit Fund	36,381	0
Special Sales Tax-Fire	0	550,000
Special Sales Tax-Public Works	0	325,000
Fleet Replacement Fund	200,000	0
CalPers Pension Trust Fund	225,000	0
Washington Elkington Fund	56,862	0
Self-Insurance Fund	24,987	0
Compensated Absences Fund	50,951	0
Cemetery Perpetual Care Fund	0	12,000
Totals	3,082,631	3,061,180
Redevelopment	0	21,451
	3,082,631	3,082,631

F. Payables

Payables at June 30, 2023 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	200,342	544	0	0	0	240,949	441,835
Intergovernmental	0	0	0	0	0	0	0
Accrued Interest	0	0	0	0	0	0	0
Other	202,605	0	0	0	579,076	0	781,681
Total	402,947	544	0	0	579,076	240,949	1,223,516

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, 2023:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Compensated Absences	1,036,593	57,741	0	1,094,334	(186,037)
Long-Term Liabilities of Governmental Activities	1,036,593	57,741	0	1,094,334	(186,037)

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, 2023, the bond issue matured and any obligation has now been terminated.

I. Evaluation of Subsequent Events

The City has evaluated subsequent events through February 2, 2024, 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, 2023, are presented below:

Total Assets	153,984,502
Total Liabilities	120,022,096
Total Net Assets	33,962,406
Total Liabilities & Net Assets	153,984,502
Total Revenues for Year	73,088,767
Total Expenses for Year	71,300,255
Net Income for Year	1,788,512

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, 2023, 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, 2022, the City contribution to the plan was $65,409. Employees are not required to contribute to the plan.

Net OPEB Liability

The City's net OPEB liability of $420,669 was measured as of June 30, 2022 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, 2023 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, 2021
Measurement Date	June 30, 2022
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Not applicable ($0; no OPEB trust has been established
Discount Rate	2.18% as of June 30, 2021 4.09% as of June 30, 2022
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, 2021 and 4.09% as of June 30, 2022.

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, 2021	$ 415,345	$ 0	$ 415,345
Changes in the year:			
Service Cost	27,139	0	27,139
Interest Cost	8,933		8,933
Changes in benefit terms	70,676	0	70,676
Employer Contributions	0	65,409	(65,409)
Benefit Payments	(65,409)	(65,409)	0
Differences Between Expected and Actual Experience	0	0	0
Assumption Changes	(36,015)	0	(36,015)
Net Changes in Fiscal Year 2021-2022	5,324	0	5,324
Balance at Fiscal Year Ending 6/30/22	$ 420,669	$ 0	$ 420,669

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% 3.09%**	**Current Rate 4.09%**	**Current + 1% 5.09%**
Net OPEB Liability (Asset)	439,242	420,669	402,692

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)	396,725	420,669	446,822

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, 2023, the City recognized OPEB expense of $89,067. At June 30, 2023, 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	$ 38,663	$ 28,897
Differences Between Expected and Actual Experience	1,600	9
Net Difference Between Projected and Actual Earnings on Investments	0	0
Deferred Contributions	54,205	0
Total	$ 94,468	$ 28,906

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
2024	$ 8,432
2025	8,322
2026	2,146
2027	$ (7,118)
2028	(425)
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, 2023, the contribution recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	$ 110,619	$ 380,937
Contributions - employee (paid by employer)	0	0
Lump Sum Contributions	577,890	517,755

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

As of June 30, 2023, 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	$ 5,746,889
Safety	7,275,098
Total Net Pension Liability	$ 13,021,987

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2022 and 2023 was as follows:

	Miscellaneous	Safety	Total
Proportion - 6/30/22	0.18571%	0.10924%	0.13609%
Proportion - 6/30/23	0.12282%	0.10587%	0.11274%
Change - Increase/(Decrease)	-0.06289%	-0.00337%	-0.02335%

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, 2023, 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	$ 1,322,439	$ 0
Differences Between Expected and Actual Experience	416,499	156,298
Differences Between Projected and Actual Investment Earnings	2,201,517	0
Differences Between Employer's Contributions and Proportionate Share of Contributions	0	1,726,507
Change in Employer's Proportion	338,905	806,547
Pension Contributions Made Subsequent to Measurement	491,556	0
	$ 4,770,916	$ 2,689,352

$4,770,916 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, 2023. 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
2024	$ (198,709)	$ 184,445	$ (14,264)
2025	(110,581)	234,702	124,121
2026	(48,138)	183,628	135,490
2027	643,853	700,808	1,344,661
2028	-	-	-
Thereafter	-	-	-
	$ 286,425	$ 1,303,583	$ 1,590,008

E. Employee Retirement Systems and Plans (Continued)

Actuarial Assumptions – The total pension liabilities was determined by rolling forward the total pension liability determined in the June 30, 2021 actuarial accounting valuations to June 30, 2022. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Acturarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.30%
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	Assumed Asset Allocation	Real Return(1),(2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporate	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected price inflation of 2.30% used for this period.
(2) Firgures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the 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	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
Misc Plans	8,213,582	5,746,889	3,717,413
Safety Plans	10,749,513	7,275,098	4,435,549
Total	18,963,095	13,021,987	8,152,962

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, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.0844%	0.0868%	0.1256%	0.1277%	0.1299%	0.1285%	0.1318%	0.0863%	0.08141%
Proportion share of the net pension liablity	$ 5,746,889	$ 3,526,243	$ 5,299,172	$ 5,111,834	$ 4,896,082	$ 5,065,626	$ 4,577,489	$ 2,366,853	$ 2,011,976
Covered - employee payroll	$ 3,260,822	$ 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	108.14%	158.75%	158.72%	157.17%	144.98%	132.89%	151.92%	197.35%	177.43%
Plan's fiduciary net position	$ 12,348,245	$ 13,795,038	$ 11,394,330	$ 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	68.24%	79.64%	68.26%	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, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.0896%	0.0893%	0.0933%	0.0965%	0.0976%	0.0970%	0.1023%	0.1054%	0.04351%
Proportion share of the net pension liablity	$ 7,275,098	$ 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	$ 3,735,131	$ 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	194.77%	101.69%	171.44%	165.75%	164.04%	165.43%	130.62%	387.64%	136.11%
Plan's fiduciary net position	$ 17,883,874	$ 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	71.08%	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, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	$ 1,682,136	$ 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	$ (2,322,915)	$ (1,912,140)	(1,528,096)	(1,251,042)	(1,152,240)	(802,074)	(765,021)	(364,596)	(296,470)
Contribution deficiency (excess)	$ (640,780)	$ (445,240)	$ (290,315)	$ (199,131)	$ (62,986)	$ 12,558	$ (80,564)	$ -	$ -
Covered - employee payroll	$ 3,260,822	$ 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	51.59%	43.94%	38.43%	33.77%	31.18%	23.65%	22.72%	30.40%	26.14%

Notes to Schedule:

Valuation Date:	6/30/2021	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, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution (actuarially determined)	$ 1,926,814	$ 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	$ (2,660,800)	$ (2,159,546)	(1,775,155)	(1,459,126)	(1,327,402)	(921,165)	(819,073)	(527,765)	(486,250)
Contribution deficiency (excess)	$ (733,986)	$ (502,848)	$ (337,253)	$ (232,252)	$ (220,526)	$ (92,188)	$ (86,256)	$ -	$ -
Covered - employee payroll	$ 3,735,131	$ 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	51.59%	43.94%	38.43%	33.77%	31.71%	23.65%	22.72%	47.09%	40.55%

Notes to Schedule:

Valuation Date:	6/30/2021	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, 2023

	Measurement Period 2022
Total OPEB Liability	
Service Cost	$ 27,139
Interest on total OPEB liability	8,933
Changes of benefit terms	70,676
Differences between expected and actual experience	0
Changes of assumptions	0
Benefit payments	(65,409)
Assumption Changes	(36,015)
Plan Experience	0
Net change in total OPEB liability	5,324
Total OPEB liability - beginning	415,345
Total OPEB liability - ending (a)	$ 420,669
Plan Fiduciary Net Position	
Contributions - employer	$ 65,409
Net investment income	0
Benefit payments	(65,409)
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)	$ 420,669
Covered-employee payroll	$ 784,590
Net OPEB liability as a percentage of covered-employee payroll	53.62%

CITY OF SONORA
SCHEDULE OF PLAN CONTRIBUTIONS
FOR THE CITY'S OPEB PLAN
JUNE 30, 2023

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
2022	65,409	65,409	0	784,590	8.34%

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.

Stockton/Washington Transit Fund – To account for monies collected and expended for the Transportation improvements on Stockton Road and Washington Road along Highway 49.

Vision Sonora – To account for the monies collected by the Vision Sonora Committee for improvements projects along the downtown historic corridor in Sonora.

CCD Per Capital Grant – To account for monies collected and expended for improvements to Woods Creek park as part of the State of California's Per Capita Program for local park rehabilitation.

Local Early Action Planning – To account for monies collected and expended for the Local Early Action Planning Grant to prioritize planning activities that accelerate housing production.

Fleet Replacement – This is a reserve fund to set aside resources to replace the City's vehicles as the transition to Electrification is mandated in the State of California

CalPERS Pension Trust – This fund accounts for monies set aside by the City into a California's Employers' Pension Prefunding Trust, a section 115 trust, to help finance future pension costs. This fund allows the City to take advantage of the investment earnings potential provided by CalPERS.

Historic Downtown – This fund accounts for monies that were part of several programs to raise monies to improve the downtown historic corridor, including the bench program and the plaque program.

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

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.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Capital Projects

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.

South Sonora Lighting District – This is a lighting district that sets monies aside to fund the continued street lighting costs of the district.

Greenley Road Extension Grant - This fun accounts for monies set aside for the development of the Greenley Road extension project preconstruction studies.

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2022

	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	Special Sales Tax Fire Fund
Assets										
Cash And Investments	29,087	(160)	149,779	293,096	(100)	209,663	2,844	126,443	1,391	0
Accounts Receivable	0	9,221	0	1,847	100	5,154	0	860	9	53,792
Loans Receivable	0	0	0	0	0	0	0	0	0	0
Prepaid Expense	0	0	0	0	0	0	0	0	0	0
Restricted Cash	0	0	0	0	0	0	0	0	0	339,404
Due From Other Funds	0	0	0	0	0	0	0	0	0	0
Total Assets	29,087	9,061	149,779	294,943	0	214,817	2,844	127,303	1,400	393,196
Liabilities And Fund Balances										
Liabilities										
Accounts Payable	0	0	0	0	196	0	0	0	0	0
Other Liabilities	0	0	0	0	0	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0	0	0	0	0
Total Liabilities	0	0	0	0	196	0	0	0	0	0
Fund Balances										
Nonspendable	0	0	0	0	0	0	0	0	0	0
Restricted	0	9,061	149,779	294,943	0	214,817	0	0	1,400	393,196
Committed	0	0	0	0	0	0	2,844	0	0	0
Assigned	29,087	0	0	0	0	0	0	127,303	0	0
Unassigned	0	0	0	0	(196)	0	0	0	0	0
Total Fund Balances	29,087	9,061	149,779	294,943	(196)	214,817	2,844	127,303	1,400	393,196
Total Liabilities And Fund Balances	29,087	9,061	149,779	294,943	0	214,817	2,844	127,303	1,400	393,196

				Special Revenue								
Special Sales Tax PW Fund	Fire-Fighters Code 5 Fund	RSTP Exchange Fund	In Lieu Parking Fund	Certified Access Specialist Program Fund	Stockton Washington Transit Fund	Vision Sonora Fund	CCD Per Capital Grant Fund	Local Early Action Fund	Fleet Replacement Reserve	CalPers Pension Trust fund	Historic Downtown Programs	Total
0	100,557	35,228	10,439	20,573	(174,711)	25,553	0	(22,830)	200,000	226,542	1,484	1,234,878
34,792	13,219	239	0	347	136,835	0	0	0	0	0	0	256,415
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
539,857	0	0	0	0	0	0	0	0	0	0	0	879,261
0	0	0	0	0	0	0	0	0	0	0	0	0
574,649	113,776	35,467	10,439	20,920	(37,876)	25,553	0	(22,830)	200,000	226,542	1,484	2,370,554
0	655	0	0	0	228,727	0	952	0	0	0	0	230,530
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	655	0	0	0	228,727	0	952	0	0	0	0	230,530
0	0	0	0	0	0	0	0	0	0	0	0	0
574,649	113,121		0	0	0	0	0	0	200,000	226,542	0	2,177,508
0	0	0	10,439	0	0	0	0	0	0	0	0	13,283
0	0	35,467	0	20,920	0	25,553	0	0	0	0	1,484	239,814
0	0	0	0	0	(266,603)	0	(952)	(22,830)	0	0	0	(290,581)
574,649	113,121	35,467	10,439	20,920	(266,603)	25,553	(952)	(22,830)	200,000	226,542	1,484	2,140,024
574,649	113,776	35,467	10,439	20,920	(37,876)	25,553	0	(22,830)	200,000	226,542	1,484	2,370,554

CITY OF SONORA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2022

	Special Reve	Capital Projects				
	FEMA CAL/OES Fund	PSPS Grant Fund	Road Maintenance Fund	Dragoon Gulch Fund	PEG Capital Fees Fund	Washington Elkington Fund
Assets						
Cash And Investments	(46,229)	3,911	406,677	31,115	24,945	0
Accounts Receivable	0	0	13,106	0	169	0
Loans Receivable	0	0	0	0	0	0
Prepaid Expense	0	0	0	0	0	0
Restricted Cash	0	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0
Total Assets	(46,229)	3,911	419,783	31,115	25,114	0
Liabilities And Fund Balances						
Liabilities						
Accounts Payable	4,037	0	0	0	0	0
Other Liabilities	0	0	0	0	0	0
Due To Other Funds	0	0	0	0	0	0
Total Liabilities	4,037	0	0	0	0	0
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	0	3,911	0	31,115	25,114	0
Committed	0	0	0	0	0	0
Assigned	0	0	419,783	0	0	0
Unassigned	(50,266)	0	0	0	0	0
Total Fund Balances	(50,266)	3,911	419,783	31,115	25,114	0
Total Liabilities And Fund Balances	(46,229)	3,911	419,783	31,115	25,114	0

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 2023	Total Non-Major Governmental Funds 2022
3,329	221,871	175,000	344	271,867	157,376	(30,473)	(7,865)	2,446,746	1,363,939
0	1,510	0	0	1,717	2,209	0	0	275,126	237,296
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	156,214	0	0	1,035,475	1,129,119
0	0	0	0	0	0	0	0	0	0
3,329	223,381	175,000	344	273,584	315,799	(30,473)	(7,865)	3,757,347	2,730,354
1,696	0	0	1,040	0	0	3,646	0	240,949	26,187
0	0	0	0	0	0	0	0	0	491
0	0	0	0	0	0	0	0	0	0
1,696	0	0	1,040	0	0	3,646	0	240,949	26,678
0	0	0	0	0	156,214	0	0	156,214	156,214
0	0	0	0	0	0	0	0	2,237,648	1,704,607
0	0	175,000	0	273,584	0	0	0	461,867	447,509
1,633	223,381	0	0	0	159,585	0	0	1,044,196	912,057
0	0	0	(696)	0	0	(34,119)	(7,865)	(383,527)	(516,711)
1,633	223,381	175,000	(696)	273,584	315,799	(34,119)	(7,865)	3,516,398	2,703,676
3,329	223,381	175,000	344	273,584	315,799	(30,473)	(7,865)	3,757,347	2,730,354

CITY OF SONORA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	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	Special Sales Tax Fire Fund
Revenues										
Investment Earnings	0	1,063	0	4,700	0	3,710	0	2,417	26	7,200
Intergovernmental	0	102,781	165,272	116,288	0	42,372	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0	0
Sales Taxes	0	0	0	0	0	0	0	0	0	579,044
Rent	0	0	0	0	0	0	0	0	0	0
Licenses And Permits	0	0	0	0	37,394	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	10	0	0	0
Total Revenues	0	103,844	165,272	120,988	37,394	46,082	10	2,417	26	586,244
Expenditures										
General Government	0	0	0	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	0	0	0	0
Public Works	0	0	0	0	0	0	0	0	0	0
Community Development	0	0	0	0	15,002	0	0	2,486	0	0
Culture And Leisure	0	0	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0	0
Debt Service										
Principal	0	0	0	0	0	0	0	0	0	0
Interest And Other Charges	0	0	0	0	0	0	0	0	0	0
Total Expenditures	0	0	0	0	15,002	0	0	2,486	0	0
Excess(Deficiency) Of Revenues Over Expenditures	0	103,844	165,272	120,988	22,392	46,082	10	(69)	26	586,244
Other Financing Sources (Uses)										
Operating Transfers In	0	0	0	0	36,381	0	0	0	0	0
Operating Transfers Out	0	(105,000)	(175,000)	(56,862)	0	0	0	0	0	(550,000)
Total Other Financing Sources (Uses)	0	(105,000)	(175,000)	(56,862)	36,381	0	0	0	0	(550,000)
Extraordinary Gain (Loss) - RDA	0	0	0	0	0	0	0	0	0	0
Net Change In Fund Balances	0	(1,156)	(9,728)	64,126	58,773	46,082	10	(69)	26	36,244
Fund Balance - Beginning	29,087	10,217	159,507	230,817	(58,969)	168,735	2,834	127,372	1,374	356,952
Prior Period Adjustment	0	0	0	0	0	0	0	0	0	0
Fund Balance - Ending	29,087	9,061	149,779	294,943	(196)	214,817	2,844	127,303	1,400	393,196

				Special Revenue							
Special Sales Tax PW Fund	Fire-Fighters Code 5 Fund	RSTP Exchange Fund	In Lieu Parking Fund	Certified Access Specialist Program Fund	Stockton Washington Transit Fund	Vision Sonora Fund	CCD Per Capital Grant Fund	Local Early Action Fund	Fleet Replacement Reserve	CalPers Pension Trust fund	Total
10,895	0	668	0	0	0	0	0	0	0	1,542	32,221
0	43,689	0	0	0	1,131,628	0	0	0	0	0	1,602,030
0	0	0	0	0	0	0	0	0	0	0	0
347,426	0	0	0	0	0	0	0	0	0	0	926,470
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	3,893	0	0	0	0	0	0	41,287
0	0	0	0	0	0	0	0	0	0	0	10
358,321	43,689	668	0	3,893	1,131,628	0	0	0	0	1,542	2,602,018
0	0	0	0	0	0	0	0	0	0	0	0
0	91,073	0	0	0	0	3,000	0	0	0	0	94,073
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	952	22,830	0	0	41,270
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	1,394,748	0	0	0	0	0	1,394,748
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	91,073	0	0	0	1,394,748	3,000	952	22,830	0	0	1,530,091
358,321	(47,384)	668	0	3,893	(263,120)	(3,000)	(952)	(22,830)	0	1,542	1,071,927
0	0	0	0	0	0	0	0	0	200,000	225,000	461,381
(325,000)	0	0	0	0	0	0	0	0	0	0	(1,211,862)
(325,000)	0	0	0	0	0	0	0	0	200,000	225,000	(750,481)
0	0	0	0	0	0	0	0	0	0	0	0
33,321	(47,384)	668	0	3,893	(263,120)	(3,000)	(952)	(22,830)	200,000	226,542	(81,314)
541,328	160,505	34,799	10,439	17,027	(3,483)	28,553	0	0	0	0	1,817,094
0	0	0	0	0	0	0	0	0	0	0	0
574,649	113,121	35,467	10,439	20,920	(266,603)	25,553	(952)	(22,830)	200,000	226,542	1,735,780

CITY OF SONORA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2022

	Special Revenue						
	Historic Downtown Programs	FEMA CAL/OES Fund	PSPS 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	6,896	0
Intergovernmental	0	28,209	0	0	36,865	114,801	0
Property Taxes	0	0	0	0	0	0	0
Sales Taxes	0	0	0	0	0	0	0
Rent	0	0	0	0	0	0	12,000
Licenses And Permits	0	0	0	0	0	0	0
Miscellaneous	1,500	0	0	0	0	0	10,250
Total Revenues	1,500	28,209	0	0	36,865	121,697	22,250
Expenditures							
General Government	0	0	0	0	0	0	0
Public Safety	0	78,475	0	0	0	0	0
Public Works	0	0	0	0	0	0	0
Community Development	16	0	0	24,036	480	0	0
Culture And Leisure	0	0	0	0	0	0	10,670
Capital Outlay	0	0	34,424	0	0	0	0
Debt Service							
Principal	0	0	0	0	0	0	0
Interest And Other Charges	0	0	0	0	0	0	0
Total Expenditures	16	78,475	34,424	24,036	480	0	10,670
Excess(Deficiency) Of Revenues Over Expenditures	1,484	(50,266)	(34,424)	(24,036)	36,385	121,697	11,580
Other Financing Sources (Uses)							
Operating Transfers In	0	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0
Extraordinary Gain (Loss) - RDA	0	0	0	0	0	0	0
Net Change In Fund Balances	1,484	(50,266)	(34,424)	(24,036)	36,385	121,697	11,580
Fund Balance - Beginning	0	0	38,335	(10,083)	(44,250)	298,086	19,535
Prior Period Adjustment	0	0	0	0	0	0	0
Fund Balance - Ending	1,484	(50,266)	3,911	(34,119)	(7,865)	419,783	31,115

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 2023	2022
441	0	0	4,189	0	0	4,910	6,169	54,826	7,440
0	357,164	0	0	0	0	0	0	2,139,069	905,207
0	0	0	7,948	0	0	0	0	7,948	8,060
0	0	0	0	0	0	0	0	926,470	938,830
0	0	0	0	0	0	0	0	12,000	12,000
0	0	0	0	0	0	0	0	41,287	40,289
8,250	0	29,905	0	0	0	0	1,110	51,025	54,071
8,691	357,164	29,905	12,137	0	0	4,910	7,279	3,232,625	1,965,897
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	172,548	101,060
879	0	0	0	0	24,987	41,513	0	67,379	248,255
0	19,689	3,694	1,585	0	0	0	0	90,770	95,473
0	0	0	0	0	0	0	0	10,670	35,371
0	0	19,689	0	0	0	0	0	1,448,861	478,280
								0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
879	19,689	23,383	1,585	0	24,987	41,513	0	1,790,228	958,439
7,812	337,475	6,522	10,552	0	(24,987)	(36,603)	7,279	1,442,397	1,007,458
0	56,862	0	0	0	24,987	50,951	0	594,181	548,387
0	0	0	0	0	0	0	(12,000)	(1,223,862)	(1,190,993)
0	56,862	0	0	0	24,987	50,951	(12,000)	(629,681)	(642,606)
0	0	0	0	0	0	0	0	0	0
7,812	394,337	6,522	10,552	0	0	14,348	(4,721)	812,716	364,852
17,302	(394,337)	(4,889)	212,829	175,000	(696)	259,236	320,520	2,703,682	2,338,824
0	0	0	0	0	0	0	0	0	0
25,114	0	1,633	223,381	175,000	(696)	273,584	315,799	3,516,398	2,703,676

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, 2023, 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

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Modesto, California
December 28, 2022