



Sonoma County California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR
ENDED JUNE 30,**

2025





**COUNTY OF SONOMA
STATE OF CALIFORNIA**

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025



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

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

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Introductory Section



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ASSISTANT AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

December 26, 2025

To the Board of Supervisors and Citizens of Sonoma County:

The Annual Comprehensive Financial Report (ACFR) of the County of Sonoma (County) for the fiscal year ended June 30, 2025, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Independent Auditor's Report is located at the front of the financial section of this report. Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2025.

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

PROFILE OF THE GOVERNMENT

Incorporated in 1850, the County of Sonoma is located in northwest California, about fifty miles north of San Francisco. The County occupies over 1,768 square miles of land and water serving a population of 482,848. Open space and agricultural land account for the majority of this acreage. Nine incorporated cities are within the County: Santa Rosa, Petaluma, Rohnert Park, Town of Windsor, Healdsburg, Sonoma, Cloverdale, Sebastopol, and Cotati. The largest employment categories include government, healthcare and social services, education, hospitality and food services. The region's world-renowned wineries, geographically diverse open spaces, and mild climate, make the County a popular tourism and recreation destination.

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

The County employed 4,243 full-time employees in fiscal year 2024-25 in order to provide a full range of services to its residents. The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The State

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

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

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

REQUESTS FOR INFORMATION

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

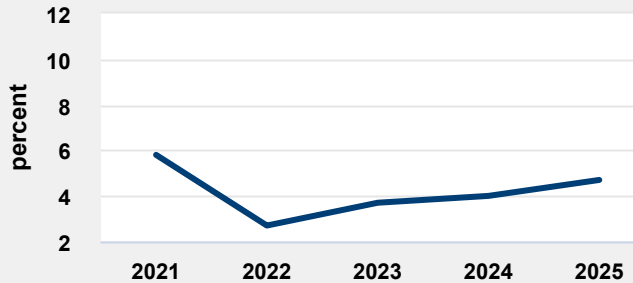
FACTORS AFFECTING ECONOMIC CONDITION

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

Economy

- During Fiscal Year 2024-25 Sonoma County experienced negative signs of economic conditions including high rates of inflation, an increase in the unemployment rate, and decreases in transient occupancy tax.
- As of June 2025, median home prices decreased 1.5%. Sonoma County remains one of the more affordable Bay Area counties.

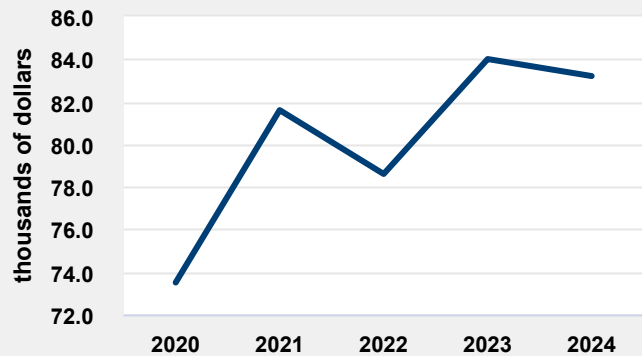
Unemployment Rate as of June 30



Unemployment

- As of June 2025, the County's unemployment rate increased to 4.7% from 4.0% in June 2024. This is lower than California's unemployment rate of 5.7% and higher than the national unemployment rate of 4.4% as of June 2025.
- As of September 2025, the County unemployment rate was 4.6% compared to 4.0% in September 2024. The County's September 2025 rate is lower than California's unemployment rate of 5.6% and higher than the national unemployment rate of 4.3%.

Annual Per Capita Income-Calendar Year



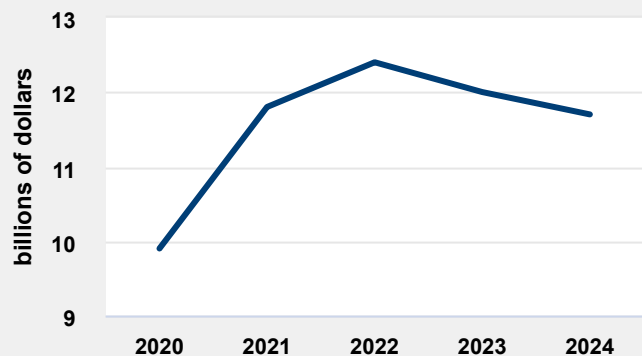
Income

- County per capita personal income decreased to \$83,229 for the 2024 calendar year, from \$84,048 for the 2023 calendar year.

Retail Sales

- Retail sales county-wide decreased 2.5% to \$11.7 billion for the 2024 calendar year, from \$12.0 billion for the 2023 calendar year.
- County unincorporated area retail sales stayed the same at \$2.4 billion in both 2024 and 2023 calendar years.

Annual Retail Sales-Calendar Year

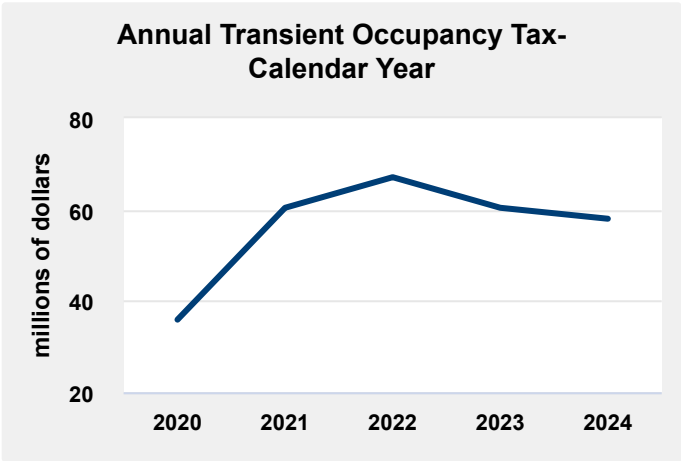
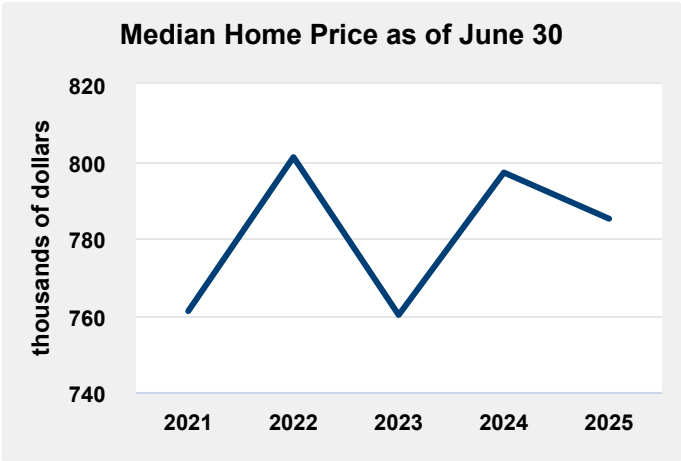


Real Estate

- As of June 2025, the median home price decreased 1.5% to \$785,000 from \$797,000 in June 2024.
- Certified valuation of secured and unsecured property, including residential and non-residential, increased 5.5% to \$127.0 billion for fiscal year 2024-25 from \$120.4 billion for fiscal year 2023-24.
- Certified valuation of residential property increased 5.7% to \$89.0 billion for fiscal year 2024-25 from \$84.2 billion for fiscal year 2023-24.
- Certified valuation of non-residential property increased 5.0% to \$38.0 billion for fiscal year 2024-25 from \$36.2 billion for fiscal year 2023-24.

Tourism

- Sonoma County’s lodging industry average annual occupancy slightly increased to 61.1% in calendar year 2024 from 59.5% in calendar year 2023.
- County-wide transient occupancy tax (TOT) collections decreased 4.0% to \$58.0 million in 2024 compared to \$60.4 million in 2023. However, TOT decreased 2.0% to \$29.5 million for the first two quarters of 2025, compared to \$30.1 million for the first two quarters of 2024.



FINANCIAL INDICATORS

The reporting period for the financial indicators is fiscal year 2024-25. County and other governmental agency's collected transient occupancy tax increased 0.3% while local sales tax collection increased 38.6%, and the County's largest revenue source, secured property taxes, increased 7.2%. The County General Fund's share of secured property tax revenue increased 7.5%. The large increase in sales tax revenues is due to implementation of two voter-approved tax measures for childcare and fire services; the County serves as fiscal agent for collecting the sales tax revenue and passing it through to other non-County entities.

California's 2025-26 Budget Act includes a \$321.1 billion spending plan. The State closed a forecasted \$11.8 billion budget gap through a mixture of spending reductions, loans, and use of reserves and fund balance in other funds. Because the State's budget was approved in late June, it does not reflect the impact of the substantial cuts in federal spending included in the federal omnibus tax and spending bill signed in early July 2025. The State continues to evaluate impacts of this measure and will work with the Legislature to determine if any further changes to the budget will be needed.

GOALS AND INITIATIVES

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

Pillar I - Healthy and Safe Communities

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

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

Pillar II - Organizational Excellence

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

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

Pillar III - Racial Equity and Social Justice

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

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

Pillar IV - Climate Action and Resiliency

Make Sonoma County carbon neutral by 2030.

- Goal 1: Continue to invest in wildfire preparedness and resiliency strategies
- Goal 2: Invest in the community to enhance resiliency and become carbon neutral by 2030
- Goal 3: Make all County facilities carbon free and zero waste and resilient
- Goal 4: Maximize sustainability and emissions reductions in all County Fleet vehicles
- Goal 5: Maximize opportunities for mitigation of climate change and adaptation through land conservation work and land use policies

Pillar V - Resilient Infrastructure

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

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

The following highlights represent a partial list of initiatives accomplished in fiscal year 2024-25 in support of the Goals noted above:

- The Resilient Forests and Watersheds initiative has hosted in-person community workshops, webinars, field trips, and direct technical assistance to landowners interested in how to protect their property and better manage their natural resources and improve their wildfire resilience.
- In October 2024, the Board approved \$28M of financing to implement energy improvements; phase one is in play, phase 2 is in planning.
- As of November 2024, over 230 individuals both county staff and external partners were trained with over 82 training hours (not including preparation time) dedicated to Anti-Racist Results Based Accountability.
- Over the past year, Human Resources selected the Institute for Public Sector Employee Engagement (a division of CPS-HR) to assist with the design, development, implementation, data collection, and analysis of an employee engagement survey.
- Developed and delivered a Racial Equity in Disaster Training to support partner strategic planning in its ARPA-funded Culturally Response Disaster Response project.
- Successful implementation of Microsoft Office 365 Services, including Teams, OneDrive, Sharepoint Online, and the installation of the Microsoft Office 365 Desktop Suite.
- The Board approved the creation of a new Time-Limited Internet Subsidy Program using EDC's remaining ARPA funding. This program will provide free home internet subscriptions, at a minimum speed of 100 MBPS download and 20 MBPS upload, to residents of certain affordable housing units throughout the County.
- Launched LEAD (Leaders Engaged in Authentic Development), an executive leadership program (Tier 4). LEAD is for executive leaders who are committed to continuous improvement and people-centered leadership.

LONG-TERM FISCAL OUTLOOK

The County's fiscal position is strong, but there are significant ongoing concerns around the overall state of the economy. The current federal administration is changing the way local governments are funded and how they provide services in unprecedented ways. House Resolution 1 (HR1), signed into law on July 4, 2025, approved significant changes to federal funding levels, requirements for receipt of funding, and requirements for program eligibility, which will have major impacts on vulnerable populations in Sonoma County. The largest share of Sonoma County's revenue comes from state and federal sources, making up approximately 38% of the non-transfer revenues in the fiscal year 2025-26 Adopted budget. State and federal revenues come from a myriad of programs and impact numerous departments. The greatest impacts to the County's budget and programs are likely to be felt in safety net services, including housing assistance and entitlement programs, which rely heavily on state and federal funding to provide benefits to the public and to cover program administration costs. This uncertainty is magnified by the fact that most federal funding flows

through the State, and actual impacts to the County will depend on the State's response. The County will continue to proactively monitor federal and state policy changes and will take actions necessary to address any fiscal, operational, or service impacts..

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

Sales tax revenue has been declining in 2025 and is expected to be nearly flat with moderate growth over the next few years. The County is impacted by the continued shift to online sales which results in much of the sales tax revenue being apportioned to the location an item is shipped from rather than to the County where the sale originates. Should the state enter a significant recession, these figures could drop significantly.

Demand for County services is not reducing. Disaster mitigation, public safety, the fight against homelessness, strengthening mental health and social safety net services, and striving for social equity all remain critical challenges. Changing priorities at the federal level may impact funding that is critical for providing many of these services. Health and liability insurance costs continue to be a major cost driver and are increasing at a much faster rate than overall inflation and revenue growth, which will put continued pressure on the County's budget in future years.

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

RELEVANT FINANCIAL POLICIES

Balanced Budget

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

Expenditure Management & Control

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

Debt Management

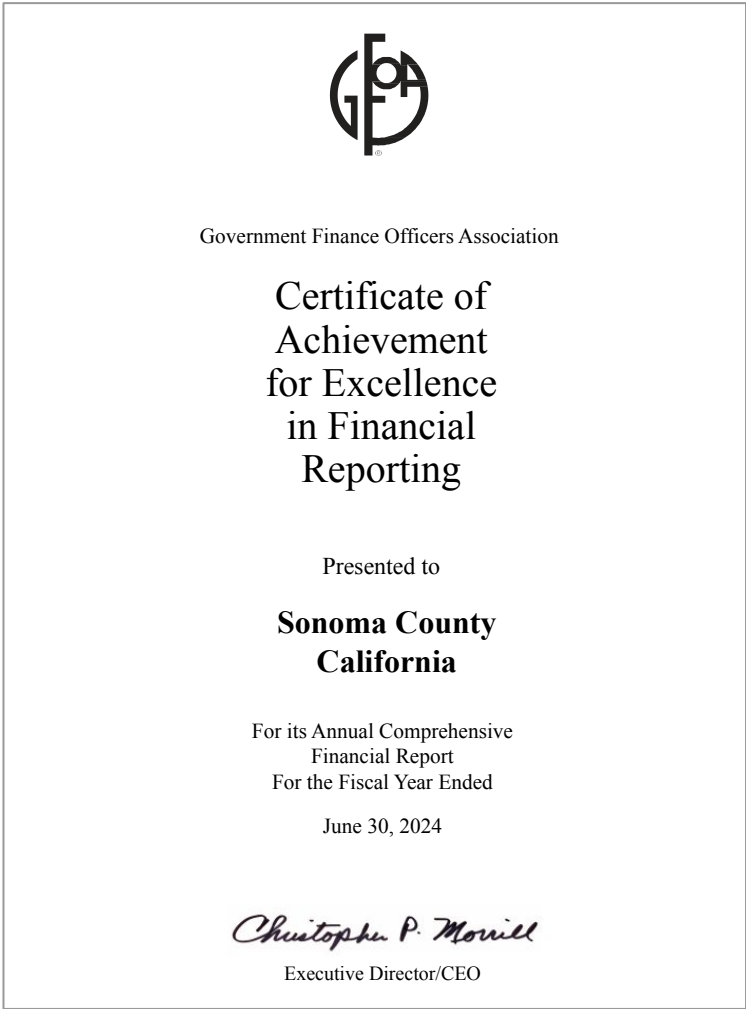
The County has a Debt Advisory Committee (DAC) to provide guidance and support related to all County debt issuance and management. The DAC provides the County Executive and the Board of Supervisors a review process to ensure that all potential debt obligations are evaluated for cost effectiveness, optimal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

Fund Balance Reserve

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

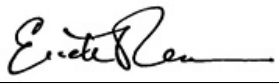
AWARDS AND ACKNOWLEDGMENTS

Financial Reporting Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County's ACFR for the fiscal year ended June 30, 2024. This was the thirty-third consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The current ACFR is expected to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.



Popular Financial Reporting Award: The County received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. The County has received this prestigious award twenty-seven times. This award is a national award that recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

Acknowledgments: The preparation of the Annual Comprehensive Financial Report was achieved through the combined efforts of numerous individuals. We are especially grateful to the Auditor-Controller-Treasurer-Tax Collector's Office staff for their special efforts and our auditors, Eide Bailly LLP, for their outstanding efforts and many hours, which helped us achieve our objectives of timely and accurate financial reporting. We would also like to thank all the County departments who participated in its preparation and the Board for its leadership, responsibility, and action that ensure the general fiscal health and integrity of the County.



Erick Roeser
Auditor-Controller-Treasurer-Tax Collector

DIRECTORY OF APPOINTED AND ELECTED OFFICIALS

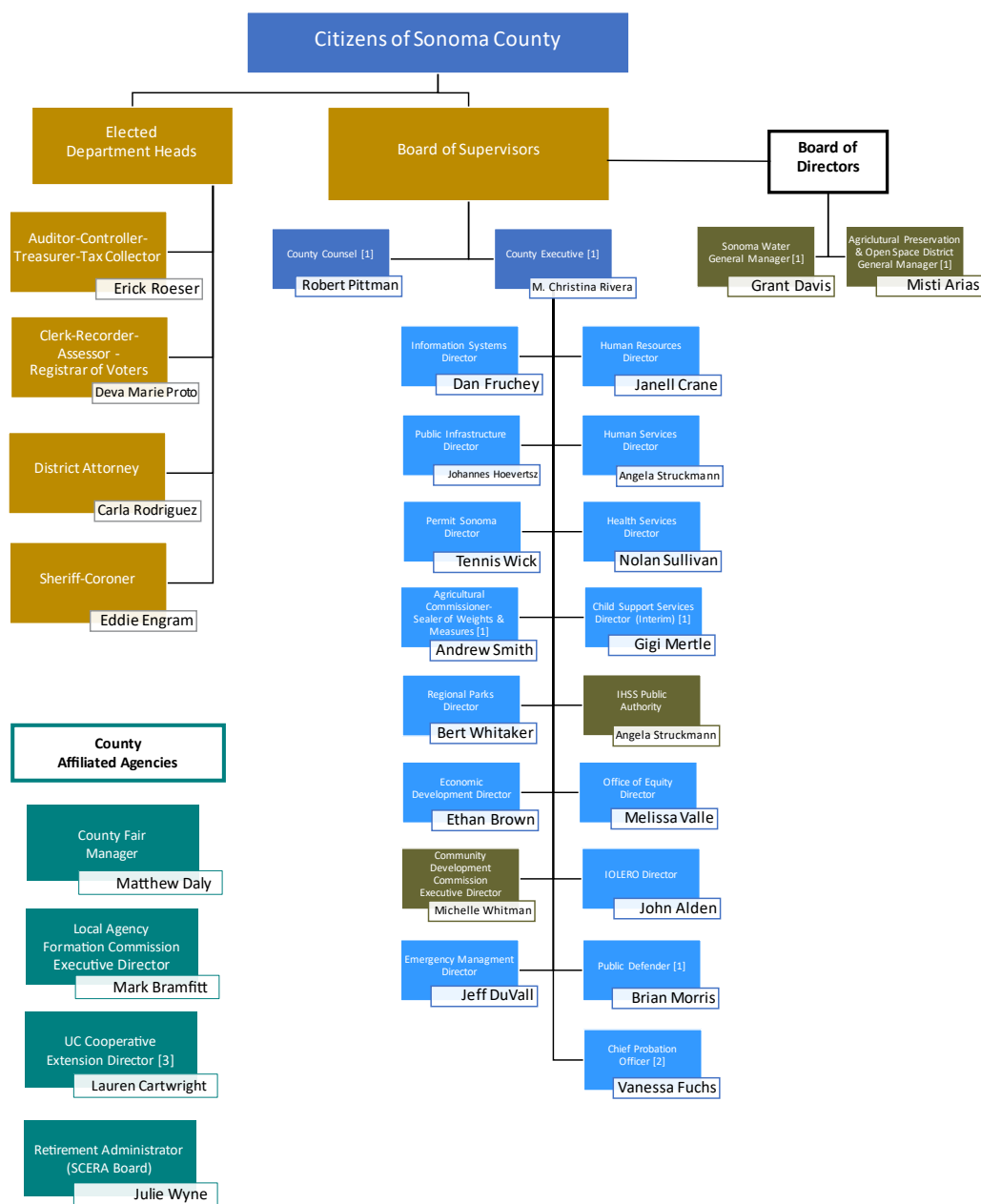
Appointed Officials & Department Heads

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

Elected Officials

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

COUNTY OF SONOMA ORGANIZATIONAL CHART



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





Financial Section





Independent Auditor's Report

Board of Supervisors
County of Sonoma, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Sonoma, California (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sonoma County Agricultural Preservation and Open Space District (non-major governmental fund), Integrated Waste Fund (major enterprise fund), Airport Fund (major enterprise fund), Energy Independence Program Fund (major enterprise fund), Transit Fund (non-major enterprise fund), Community Development Commission (discretely presented component unit), Sonoma County Water Agency (discretely presented component unit), Sonoma Valley County Sanitation District (non-major discretely presented component unit), Russian River County Sanitation District (non-major discretely presented component unit), South Park County Sanitation District (non-major discretely presented component unit), Occidental County Sanitation District (non-major discretely presented component unit), Sonoma County Fair and Exposition, Inc. (non-major enterprise fund) and the Sonoma County Employees' Retirement Association (SCERA) (fiduciary fund), which represent the following percentages of assets, net position/fund balance and revenues of the opinion units listed below as of June 30, 2025:

Opinion Unit	Assets	Net Position/ Fund Balances	Revenues
Aggregate Discretely Presented Component Units	100%	100%	100%
Governmental Activities	17%	23%	4%
Business-Type Activities	96%	95%	94%
Aggregate remaining fund information	60%	63%	13%
Major Enterprise Fund – Integrated Waste Fund	100%	100%	100%
Major Enterprise Fund – Airport Fund	100%	100%	100%
Major Enterprise Fund – Energy Independence Program Fund	100%	100%	100%

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, the County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities, business-type activities, Integrated Waste Enterprise Fund, Airport Enterprise Fund, Non-major Enterprise Funds, and the aggregate discretely presented component units net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Rancho Cucamonga, California
December 26, 2025



Management's Discussion and Analysis (Unaudited)



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As management of the County of Sonoma, California (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the County's Basic Financial Statements, which immediately follow this section.

Financial Highlights

- The County's net position was \$2.7 billion at June 30, 2025, an increase from prior year of \$245.5 million.
- The County's net position included \$1.8 billion net investment in capital assets, \$578.0 million in restricted net position, and \$251.9 million in unrestricted net position.
- The County's governmental funds reported a combined ending fund balance of \$1.16 billion, an increase of \$120.7 million over prior year. Amounts available for spending include restricted, committed, assigned, and unassigned fund balances and total 98.8% of ending fund balance. Of this amount, \$557.2 million is restricted by law or externally imposed requirements, \$45.8 million is committed for specific purposes, \$464.5 million is assigned to specific purposes determined by the Board of Supervisors and the County Executive's Office, \$78.2 million is unassigned. \$14.2 million is nonspendable.
- The General Fund unassigned fund balance was \$78.2 million, or 13.1% of total General Fund expenditures.

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The County's blended component units include:

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

The County's discrete component units include:

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

The County's component units fiduciary in nature include:

- Sonoma County Employees' Retirement Association (SCERA)

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing what financial resources are available or may be needed in the future to finance County programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time net position serves as a useful indicator of a government's financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.7 billion at the close of the fiscal year.

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

Analysis of Net Position

The County's total net position increased 10.2% in the current fiscal year. Changes in the County's net position are described below.

Summary of Net Position

June 30, 2025

(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2025	2024	2025	2024	2025	2024	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 1,529,103	\$ 1,383,391	\$ 136,800	\$ 147,602	\$ 1,665,903	\$ 1,530,993	\$ 134,910	8.8%
Capital assets	1,784,719	1,666,476	202,726	197,620	1,987,445	1,864,096	123,349	6.6%
Total assets	3,313,822	3,049,867	339,526	345,222	3,653,348	3,395,089	258,259	7.6%
Deferred outflows of resources	170,888	166,355	3,273	3,135	174,161	169,490	4,671	2.8%
Liabilities:								
Current and other liabilities	312,122	282,622	15,688	14,981	327,810	297,603	30,207	10.2%
Long-term liabilities	658,016	720,849	54,833	56,776	712,849	777,625	(64,776)	(8.3%)
Total liabilities	970,138	1,003,471	70,521	71,757	1,040,659	1,075,228	(34,569)	(3.2%)
Deferred inflows of resources	96,956	43,259	35,704	37,390	132,660	80,649	52,011	64.5%
Net position:								
Net investment in capital assets	1,638,010	1,553,968	186,365	182,044	1,824,375	1,736,012	88,363	5.1%
Restricted	547,551	515,743	30,403	31,080	577,954	546,823	31,131	5.7%
Unrestricted	232,055	99,781	19,806	26,086	251,861	125,867	125,994	100.1%
Total net position	\$ 2,417,616	\$ 2,169,492	\$ 236,574	\$ 239,210	\$ 2,654,190	\$ 2,408,702	\$ 245,488	10.2%

Net Investment in Capital Assets

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

The County's net investment in capital assets was \$1.8 billion at fiscal year-end and consists of investment in capital assets (net of accumulated depreciation) of \$2.0 billion less related debt, an increase of \$88.4 million, or 5.1%.

Restricted Net Position

Restricted net position of \$578.0 million represents resources that are subject to external restrictions on their use, or by enabling legislation.

Restricted net position increased \$31.1 million or 5.7%. The primary changes to restricted net position, by function, include:

- Health services programs increased \$34.3 million primarily due to a combination of increased funding in Mental Health Services Act, Health and Mental Health Realignment, and Intergovernmental Transfers
- Public protection increased by \$6.9 million due to increased CalAim grant funding for services and programs to assist justice-involved population and higher contributions from law enforcement services to contracted cities
- Public assistance expenses decreased \$9.1 million, primarily due to increased expenses from higher existing program caseload, higher service provider labor costs, and new therapeutic program for family youth.

Unrestricted Net Position

The County's prior year unrestricted net position surplus of \$125.9 million was increased by \$126.0 million to a surplus of \$251.9 million. The majority of the variance was due to decreases in the pension and OPEB liabilities.

Analysis of Primary Government

Change in net position (net revenue) of the Primary Government (Governmental and Business-Type Activities) increased 19.7% to \$286.4 million from \$239.2 million in prior year. The increase is driven by higher operating grants and contributions in general government, health and sanitation, and public ways and facilities, as well as higher general revenues from increased sales and use tax and property tax receipts, partially offset by higher expenses in health and sanitation, public protection, and public assistance areas.

Effective July 1, 2024, the County adopted provisions of GASB Statement No. 101, *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the County to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024, was not restated.

Changes in Net Position For the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2025	2024	2025	2024	2025	2024	Dollar Change	Percent Change
Revenues:								
Program revenues:								
Charges for services	\$ 126,964	\$ 114,115	\$ 40,704	\$ 38,444	\$ 167,668	\$ 152,559	\$ 15,109	9.9%
Operating grants and contributions	782,707	680,469	21,178	18,779	803,885	699,248	104,637	15.0%
Capital grants and contributions	3,567	4,010	5,824	11,060	9,391	15,070	(5,679)	(37.7%)
General revenues:								
Property taxes	365,305	339,577	-	-	365,305	339,577	25,728	7.6%
Documentary transfer taxes	6,163	5,870	-	-	6,163	5,870	293	5.0%
Transient occupancy taxes	30,073	30,048	-	-	30,073	30,048	25	0.1%
Grants and other unrestricted governmental revenues	156,146	101,216	-	-	156,146	101,216	54,930	54.3%
Unrestricted investment earnings	69,569	61,554	4,941	4,208	74,510	65,762	8,748	13.3%
Other	71,808	55,764	2,686	3,118	74,494	58,882	15,612	26.5%
Total operating revenues	1,612,302	1,392,623	75,333	75,609	1,687,635	1,468,232	219,403	14.9%
Expenses:								
General government	161,022	152,303	-	-	161,022	152,303	8,719	5.7%
Public protection	471,157	391,851	-	-	471,157	391,851	79,306	20.2%
Public ways and facilities	59,448	55,351	-	-	59,448	55,351	4,097	7.4%
Health and sanitation	277,823	235,938	-	-	277,823	235,938	41,885	17.8%
Public assistance	295,104	274,084	-	-	295,104	274,084	21,020	7.7%
Education	1,529	1,412	-	-	1,529	1,412	117	8.3%
Recreation and cultural services	48,878	40,124	-	-	48,878	40,124	8,754	21.8%
Interest on long-term debt	15,817	14,356	-	-	15,817	14,356	1,461	10.2%
Integrated Waste	-	-	9,293	8,407	9,293	8,407	886	10.5%
Airport	-	-	17,817	13,814	17,817	13,814	4,003	29.0%
Energy Independence Program	-	-	2,274	1,898	2,274	1,898	376	19.8%
Transit	-	-	25,020	23,251	25,020	23,251	1,769	7.6%
Fair	-	-	12,034	12,063	12,034	12,063	(29)	(0.2%)
Marinas	-	-	2,822	2,844	2,822	2,844	(22)	(0.8%)
Other	-	-	1,166	1,334	1,166	1,334	(168)	(12.6%)
Total operating expenses	1,330,778	1,165,419	70,426	63,611	1,401,204	1,229,030	172,174	14.0%
Excess before transfers	281,524	227,204	4,907	11,998	286,431	239,202	47,229	19.7%
Transfers	6,952	(3,181)	(6,952)	3,181	-	-	-	0%
Change in net position	288,476	224,023	(2,045)	15,179	286,431	239,202	47,229	19.7%
Net position, beginning of year (FY2025 restated)	2,129,140	1,945,469	238,619	224,031	2,367,759	2,169,500	198,259	9.1%
Net position, end of year	\$ 2,417,616	\$ 2,169,492	\$ 236,574	\$ 239,210	\$ 2,654,190	2,408,702	\$ 245,488	10.2%

Analysis of Governmental Activities

Governmental activities increased the County's net position \$288.5 million and accounted for 100.7% of the County's total increase in net position from current year activities. Due to the adoption of GASB Statement No. 101 as noted above, the County recorded a restatement of \$40.4 million to the beginning net position. Governmental activities operating revenues exceeded operating expenses by \$281.5 million. Transfers to business-type activities increased net position by \$7.0 million.

Revenues:

Operating revenues for the County's governmental activities increased 15.8% from the prior year amount of \$1.39 billion to \$1.61 billion. Revenues are divided into two categories: program revenues and general revenues.

Program Revenues:

Program revenues increased \$114.6 million or 14.4%, from the prior year to \$913.2 million. The majority of program revenues consist of charges for services and operating grants and contributions tied to federal and state reimbursements of County costs for mandated programs such as public assistance, public protection, health and behavioral wellness. Program revenues represent 56.6% of the County's funding for governmental activities.

- Operating grants and contributions increased by \$102.2 million or 15.0% to \$782.7 million. The significant changes included the following:
 - ◆ Health and sanitation increase of \$37.9 million primarily due to:
 - ▲ \$23.1 million increase for behavioral health services under Federal Financial Participation (FFP) funding and various state grants
 - ▲ \$6.5 million increase in Realignment revenues from higher sales tax volume
 - ▲ \$5.2 million increase in Mental Health Services Act funding
 - ◆ General government increase of \$33.1 million primarily due to:
 - ▲ \$19.4 million increase in FEMA reimbursements related to the 2020 Covid-19 disaster
 - ▲ \$16.1 million increase in reimbursements of State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act
 - ◆ Public ways and facilities increase of \$18.2 million due to increased federal and CalTrans reimbursements due to higher construction activities
 - ◆ Public protection increase of \$5.8 million mainly due to:
 - ▲ \$2.7 million increase in CalAim grants
 - ▲ \$2.4 million increase in contributions from cities for contracted law enforcement services
- Charges for services increased by \$12.8 million or 11.3% to \$127.0 million. This increase is primarily due to higher delinquent tax penalties and increases in service charges for tax collection, attorney services, and election services under general government.

General Revenues:

General revenues had an overall increase of \$105.0 million, or 17.7%, to \$699.1 million from the prior year. These revenues include general taxes that provide the Board of Supervisors with discretionary spending ability. The primary reasons for the increase are as follows:

- Property tax revenue \$25.7 million increase attributable to sustained growth in assessed values along with higher supplemental assessments, growth in utilities roll, and expanded mitigation of reassessment backlog.
- Grants and other unrestricted revenues increased \$54.9 million primarily due to an increase in sales and use tax revenues, in particular from initial receipts of Measure I - Child Care & Children's Health Initiative, and Measure H - Local Fire Protection, Paramedic Services, and Disaster Response, along with higher receipt for Measure M for Regional Parks

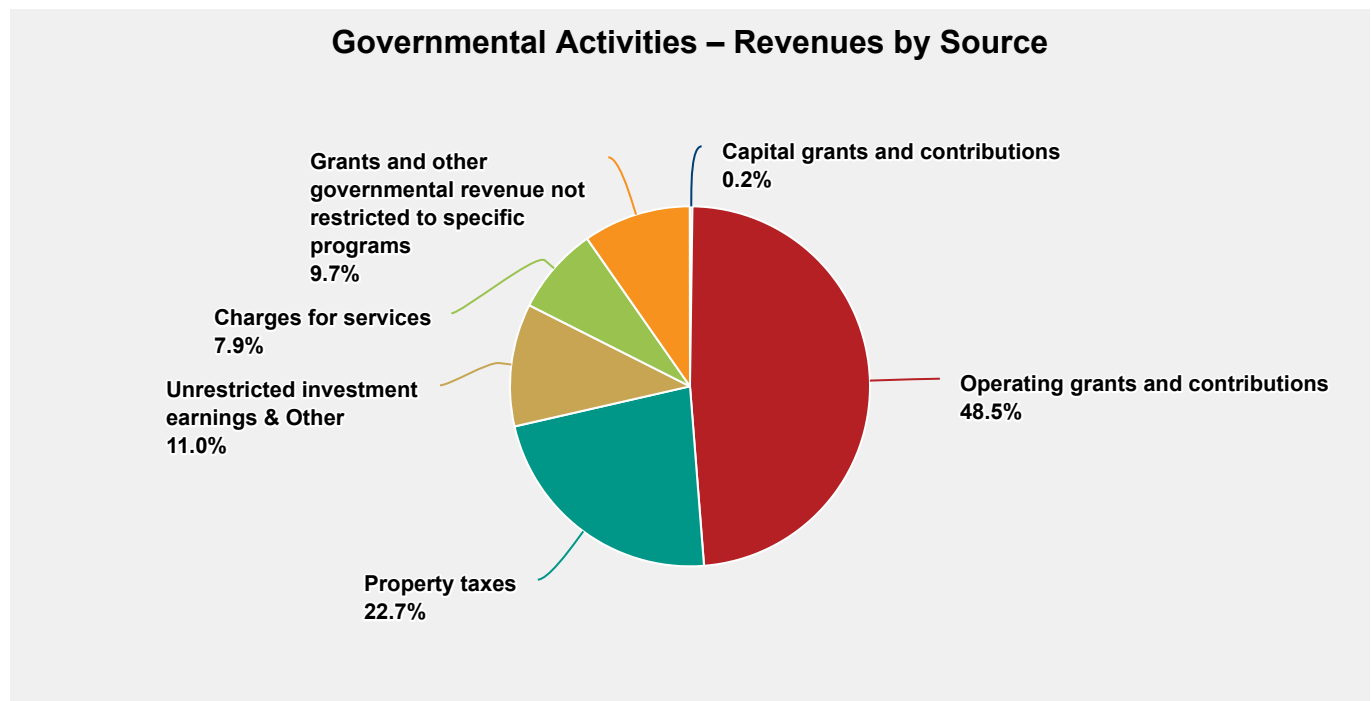
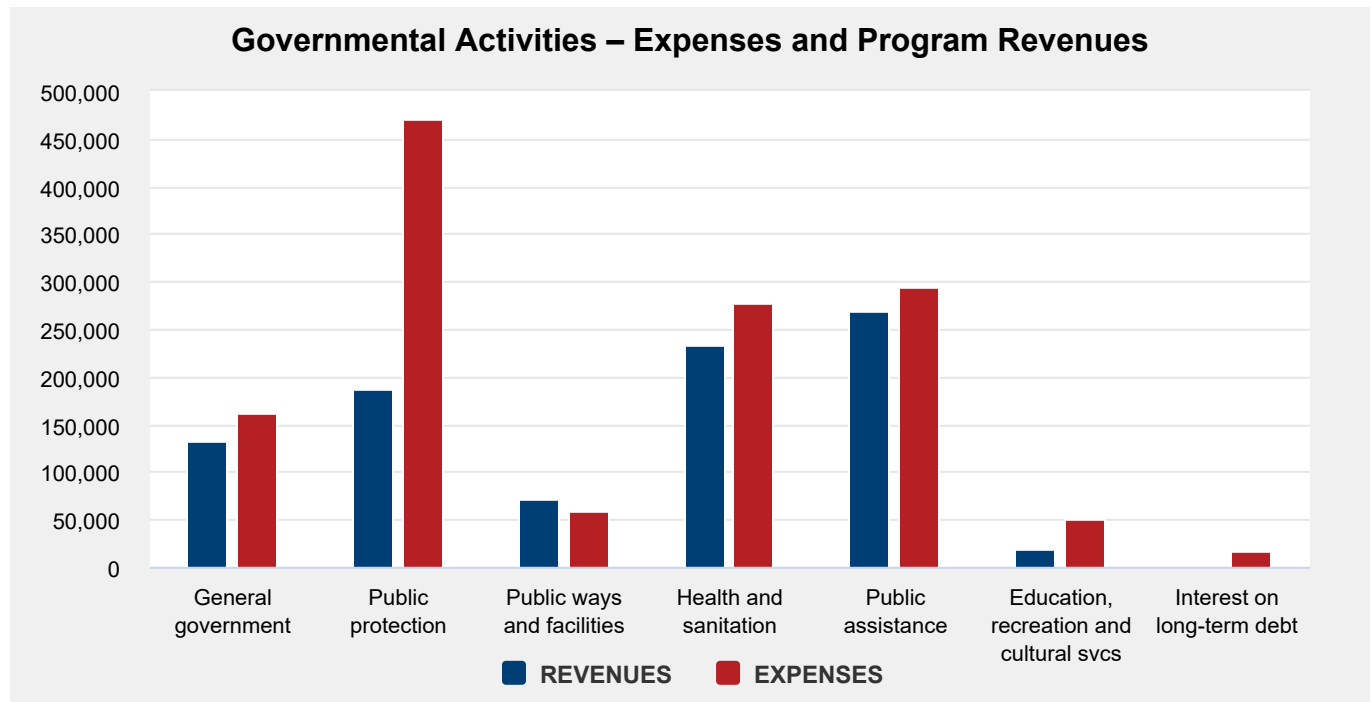
- Investment earnings increased \$8.0 million in total due to the fair value adjustment required for reporting investments as well as higher quarterly interest earnings on pooled cash
- Other general revenues increased \$16.0 million mostly due to contributions received for Monte Rio Redwoods Regional Park

Expenses:

Total expenses for governmental activities increased \$165.4 million from prior year to \$1.33 billion due primarily to:

- Public protection expenses increased \$79.3 million, or 20.2% primarily due to:
 - ◆ \$44.5 million in first-year disbursements of Measure H (Local Fire Protection, Paramedic Services, and Disaster Response) sales and use tax receipts to various county and cities fire districts and departments
 - ◆ Increase of \$16.3 million in adult detention and law enforcement expenses for running the Main Adult Detention Facility and providing field services, such as responding to emergency calls for services
 - ◆ Increase of \$8.2 million in Juvenile Facilities and Juvenile Services expenses as a result of the state closing all divisions of Juvenile Justice secure detention centers
- Health and sanitation expenses increased \$41.9 million, or 17.8%, mainly due to:
 - ◆ Increase of \$16.2 million in specialty mental health services and contracted psychiatric care for supporting Mental Health Services Act
 - ◆ Increase of \$11.8 million driven by increased contractual expenditures for support and care of persons in Behavioral Health programs
 - ◆ Increase of \$9.8 million driven primarily by higher contractual expenditures for emergency and crisis mental health services
- General government expenses increased \$8.7 million, or 5.7% due in most part to:
 - ◆ \$7.2 million in first-year disbursements of Measure I (Child Care & Children's Health Initiative) sales and use tax receipts to First 5 Sonoma County
 - ◆ \$5.1 million in first-year disbursements of Measure M sales and use tax receipts to various cities for parks and open space funding
 - ◆ Increase of \$2.4 million in contributions and community grants, including one-time grant to Petaluma Health Center for funding the opening of an urgent care facility in Rohnert Park which will focus on underserved communities
 - ◆ Expenditures were offset by increases in intra-County reimbursements for cost plan allocation charges of \$5.6 million
- Public assistance expenses increased \$21.0 million, or 7.7%, primarily due to:
 - ◆ Increase of \$8.1 million due to transfers of higher sales & use tax receipts for funding operations
 - ◆ Increase of \$7.1 million from caseload growth in existing programs such as foster care and economic assistance
 - ◆ Increase of \$3.8 million for higher labor costs from in-home support services providers
 - ◆ \$2.8 million for first-year program providing residential therapeutic services for family youth and children
- Recreation and cultural services increased \$8.8 million, or 21.8% primarily due to:
 - ◆ One-time grant of \$2.0 million for Helen Putnam Park expansion
 - ◆ Increase of \$2.0 million for maintenance and repairs in various regional parks
 - ◆ Increase of \$1.8 million for law enforcement services from County Sheriff department
 - ◆ Increase of \$1.4 million for park and land management and contract services

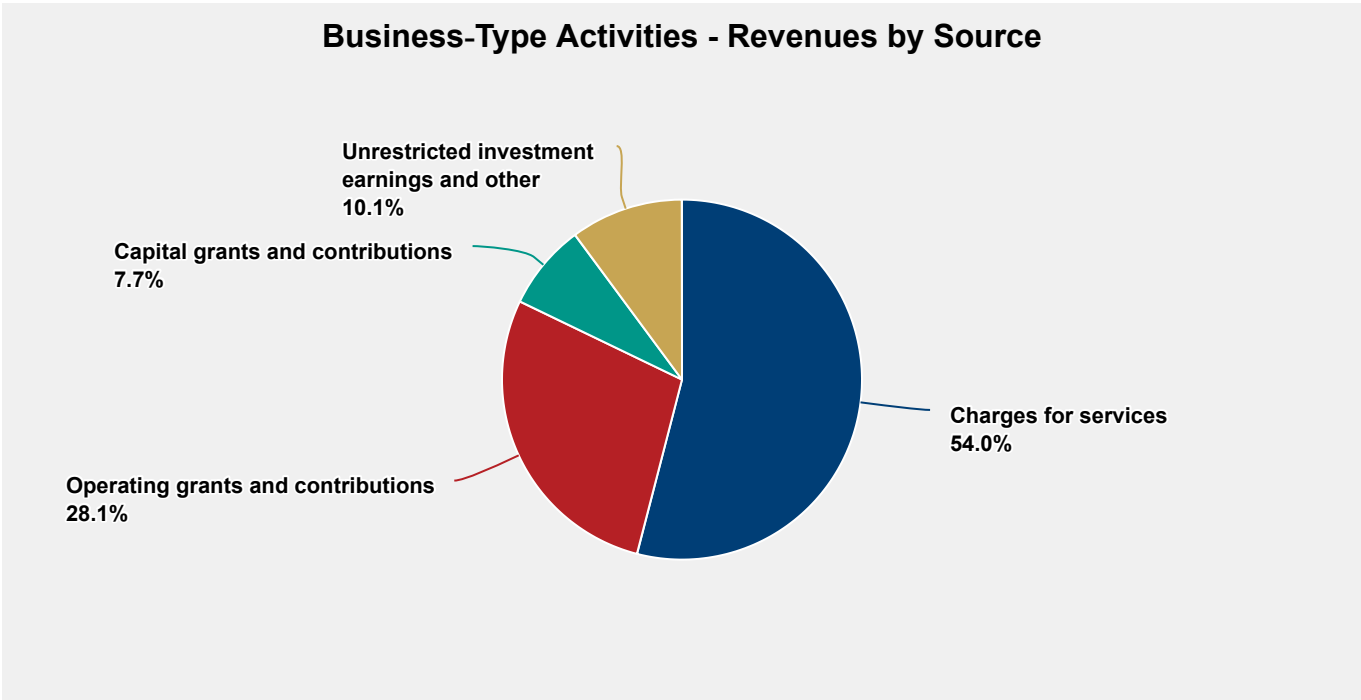
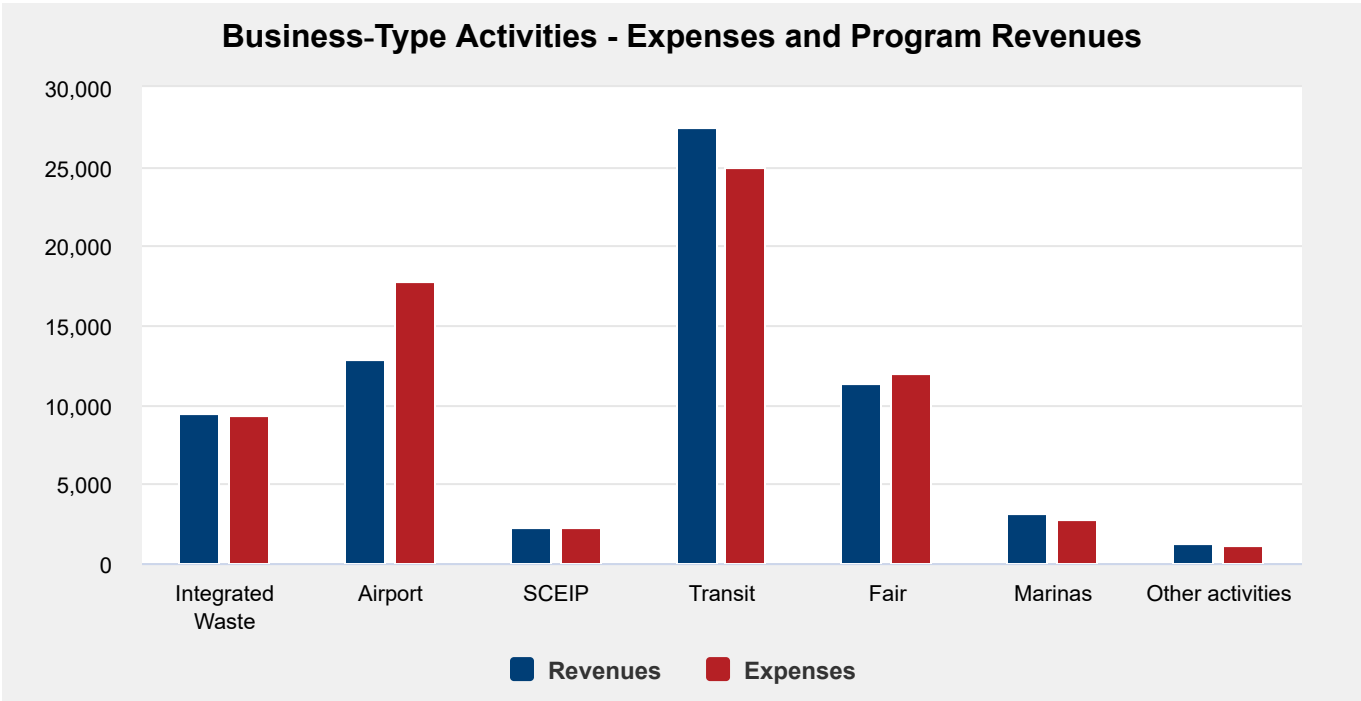
Governmental Activities Comparisons



Business-Type Activities Comparison

Business-type activities net position reduced by \$2.6 million, from \$239.2 million to \$236.6 million for the year ended June 30, 2025. The change in net position was mainly due to a decrease in Integrated Waste net position due to higher transfers for disaster-related repairs, a decrease in Airport net position from reduced federal grants and increased operating expenses, partially offset by an increase in Transit net position from higher capital funding contributions.

Revenues for the County’s business-type activities decreased \$0.3 million from the prior year or 0.4% to \$75.3 million mainly due to Airport decrease in Federal Aviation Administration (FAA) grant revenues.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

At June 30, 2025, the County's governmental funds reported combined fund balances of \$1.16 billion, an increase of \$120.7 million compared to fiscal year 2024. The components of fund balance are as follows, and with the exception of nonspendable fund balance, are available for appropriation at any time (See Note 15 – Net Position/Fund Balances):

- Nonspendable fund balance, \$14.2 million, consists of amounts that are not spendable in form or are legally or contractually required to be maintained intact and primarily consists of inventories of \$0.9 million, prepaid items and deposits of \$13.3 million and advances of \$0.1 million.
- Restricted fund balance, \$557.2 million, consists of amounts with constraints put on their use by externally imposed creditors, grantors, laws, regulations and enabling legislation with amounts restricted to:
 - ◆ Agricultural Preservation and Open Space District – \$65.8 million
 - ◆ Capital projects and equipment replacement – \$42.9 million
 - ◆ Debt service – \$4.5 million
 - ◆ Parks donations, mitigation, and operations – \$10.4 million
 - ◆ Courthouse/Criminal Justice Construction – \$3.1 million
 - ◆ Health services programs – \$251.5 million
 - ◆ Fire and emergency services – \$2.8 million
 - ◆ Public assistance – \$60.3 million
 - ◆ Lighting districts – \$13.9 million
 - ◆ Public protection – \$91.2 million
 - ◆ Clerk, Recorder, Assessor operations – \$3.6 million
 - ◆ Other – \$7.2 million
- Committed fund balance, \$45.8 million, consists of amounts that have been committed to specific purposes by the Board of Supervisors and consists of amounts committed to:
 - ◆ Community investment – \$14.2 million
 - ◆ Road activities and other – \$31.6 million
- Assigned fund balance, \$464.5 million, represents amounts intended for use as determined by the Board of Supervisors and County Executive's Office consists of amounts assigned to:
 - ◆ Capital projects and equipment replacement – \$191.1 million
 - ◆ Reserved purposes fund - \$60.0 million
 - ◆ Tribal development impact mitigation – \$49.8 million
 - ◆ Redevelopment agencies – \$7.3 million
 - ◆ General services – \$21.2 million
 - ◆ Public protection – \$25.4 million
 - ◆ Employee health contributions - \$12.1 million
 - ◆ FEMA audit reserve - \$13.0 million
 - ◆ Fire Settlement projects – \$16.9 million
 - ◆ Disaster Fund – \$21.3 million

- ◆ Economic Uncertainty Reserve – \$16.8 million
 - ◆ Other programs – \$29.6 million
 - Unassigned fund balance of \$78.2 million represents the residual classification for the General Fund
- Approximately 98.8%, or \$1.15 billion, of the total fund balance is available to the County.

General Fund

The General Fund is the main operating fund of the County. The General Fund's total fund balance increased by 7.3%, or \$25.6 million, to \$374.9 million at June 30, 2025. The nonspendable portion of fund balance was \$8.3 million. The spendable portion was \$366.6 million, an increase of \$29.5 million, or 8.8%, over the prior year balance of \$337.1 million. This increase is mainly due to:

- An increase of \$2.7 million from Tribal Mitigation contributions for capital improvement projects per agreement with Graton Rancheria
- A decrease of \$13.8 million due to the release of prior-year assignments that had been set aside for projected budget deficits, which are no longer required because the County adopted a balanced budget
- Increase of \$21.3 million in federal funding reimbursements
- An increase of \$16.8 million in General Fund Economic uncertainty reserve to provide resources for unanticipated economic downturns and revenue shortfalls

Other – Governmental Funds

As compared with the prior year, the total fund balances of the remaining governmental funds increased 13.8%, or \$95.1 million, to \$784.9 million with the following significant changes:

- Capital Projects (a major fund) fund balance increased \$54.5 million, from \$119.2 to \$173.7 million primarily due to additional funding received, to be spent on County Center Modernization
- 2011 Realignment (a non-major fund) increased \$6.8 million, from \$106.5 to \$113.3 million primarily due to Behavioral Health and Probation realignment revenues received from the State for prior years as well as lower disbursements to other funds
- Health and Sanitation (a major fund) fund balance increased \$30.1 million, from \$192.1 to \$222.2 million primarily due to higher State and Federal revenues received to fund community mental health programs, core public health and behavioral health services, and Medi-Cal-related health services
- Open Space Special Tax Account (a major fund) decreased \$3.6 million, from \$69.5 to \$65.8 million primarily from increased acquisitions of various conservation easements
- Human Services (a major fund) fund balance decreased \$8.9 million, from \$46.6 to \$37.7 million primarily due to higher expenses from increased caseload in existing programs, higher service provider labor costs, and first-year residential therapeutic program for family youth
- The Agricultural Preservation and Open Space District (a non-major fund) fund balance increased \$8.9 million, from \$21.8 to \$30.7 million primarily due to higher intergovernmental transfers from the Open Space Special Tax Account (OSSTA). These transfers represent stewardship reserve funds designated to support operations and monitoring of District lands and conservation easements after Measure F sunsets in 2031

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. County enterprise activities decreased net position by \$2.6 million in the current year mostly due to:

- Integrated Waste net position decreased \$3.9 million, primarily due to a higher current-year transfer to the Sonoma County Roads Division for projects to repair public facilities damaged by fires, floods, and other declared disasters. The decrease was partially offset by an increase in Construction in Progress related to building and improvement projects
- Airport net position decreased \$2.2 million, primarily due to a reduction in Federal grants for the Airport's terminal expansion and other capital projects, as well as increases in services, supplies, and other operating expenses

- Transit net position increased 3.3 million, mainly from higher contributions from federal, state, and local agencies to fund capital acquisitions

Current year activities of the internal service funds (ISF) increased the net position of the ISF by \$88.0 million primarily due to the following:

- Employee Retirement net position increased by \$44.4 million, primarily due to higher charges for services, partially offset by an increase in benefit expenses.
- Other Postemployment Benefits (OPEB) net position increased by \$37.1 million, largely attributable to favorable investment performance, partially offset by higher benefit expenses.

General Fund Budgetary Highlights

The County's final General Fund expenditure budget increased \$65.0 million, or 11.2%, compared to the original budget. This increase was mainly due to the re-budgeting of funding for American Rescue Plan Act (ARPA) projects that were not completed in the prior year, as well as budgeting for board priority projects, including the Integrated Justice System Modernization project and several grant-funded initiatives that required additional spending authority during FY 2024-25. The final budget further includes GASB-required adjustments for compliance with generally accepted accounting principles.

Revenues:

General Fund revenues were \$33.2 million more than final budget. The main reasons were:

- Intergovernmental revenue was \$7.7 million higher, mainly because the County received FEMA reimbursements related to the 2020 Covid-19 disaster. FEMA payments often take years to process, and the County did not expect this funding to arrive during FY 2024-25
- Use of money and property was \$17.0 million higher than budgeted. This increase was due to higher interest earnings due to rising interest rates, and a required year-end adjustment that updates the reported value of the County's investments to reflect current market conditions. Because interest rates can change quickly, the County budgets interest earnings conservatively
- Tax revenues were higher by \$7.7 million than budgeted. This was mainly due to continued growth in assessed property values, which increased secured property tax and supplemental tax payments. The County also received higher pass-through payments from Redevelopment Agencies, as required under state law

Expenditures:

General Fund expenditures were \$33.5 million less than the final budget, leaving unspent appropriations. The key areas of savings were:

- \$29.9 million savings in General Government. Most of this came from funds dedicated to long-term projects, including the Integrated Justice System modernization project and various capital projects, that were budgeted in FY 2024-25, but for which some costs will accrue in future fiscal years, and from lower than anticipated expenditures on IT contracts
- \$17.5 million savings in Public Protection. Departments such as Probation, Permit Sonoma, Law Enforcement and Detention had higher-than-expected staff vacancies, which reduced salary costs. In addition, some grant-funded projects in Permit Sonoma were delayed to future years
- \$3.6 million savings in Capital outlay. Funds for the Integrated Justice System Modernization project and certain Probation building projects were not spent during the year

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental and business-type activities as of June 30, 2025, were \$2.0 billion. Capital assets include land, intangible assets, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in the County's capital assets for the current fiscal year was \$123.3 million or 6.6%.

Capital Assets (net of depreciation) For the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2025	2024	2025	2024	2025	2024	Dollar Change	Percent Change
Capital assets, non-depreciable:								
Land	\$ 357,191	\$ 357,151	\$ 27,723	\$ 27,720	\$ 384,914	\$ 384,871	\$ 43	0.0%
Intangible assets	495,977	457,779	-	-	495,977	457,779	38,198	8.3%
Work in progress	11,410	5,230	-	-	11,410	5,230	6,180	118.2%
Construction in progress	231,664	162,293	21,262	55,008	252,926	217,301	35,625	16.4%
Total capital assets, non-depreciable	1,096,242	982,453	48,985	82,728	1,145,227	1,065,181	80,046	7.5%
Capital assets, depreciable:								
Intangible assets	8,601	11,431	1,816	2,100	10,417	13,531	(3,114)	(23.0%)
Infrastructure	286,730	273,521	13,418	9,929	300,148	283,450	16,698	5.9%
Buildings and improvements	239,353	249,244	124,791	87,763	364,144	337,007	27,137	8.1%
Land improvements	11,388	11,776	112	127	11,500	11,903	(403)	(3.4%)
Machinery and equipment	37,653	38,182	13,604	14,973	51,257	53,155	(1,898)	(3.6%)
Right-to-use lease building	93,681	90,003	-	-	93,681	90,003	3,678	4.1%
Right-to-use lease land	1,831	1,872	-	-	1,831	1,872	(41)	(2.2%)
Right-to-use lease M&E	2,623	2,711	-	-	2,623	2,711	(88)	(3.2%)
Right-to-use asset - SBITA	6,617	5,283	-	-	6,617	5,283	1,334	25.3%
Total capital assets, depreciable	688,477	684,023	153,741	114,892	842,218	798,915	43,303	5.4%
Total	\$ 1,784,719	\$ 1,666,476	\$ 202,726	\$ 197,620	\$ 1,987,445	\$ 1,864,096	\$ 123,349	6.6%

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

Non-depreciable intangible assets for governmental activities increased \$38.2 million due to easement acquisitions by the Open Space District in 7 different properties totaling 2,307.62 acres

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

Total CIP increased \$35.6 million. Capital outlay of \$118.1 million was offset by project completions, transfers, and retirements of \$82.5 million.

The County completed and capitalized CIP projects totaling approximately \$30.2 million. Major completed projects include:

- 2019 and 2023 storm damage projects \$11.9 million
- 24 different road segment projects \$10.8 million
- Crocker Rd Bike and Pedestrian Improvements \$3.9 million
- 2022 8th St. E. Widening and Railroad Crossing, Cypress Paving, Stony Pt Signal, and other projects completed by road crews \$1.8 million

The County acquired an additional \$29.9 million in depreciable assets and recorded total depreciation of \$67.2 million against all depreciable capital assets. Capital asset disposals totaled \$6.1 million net of accumulated depreciation.

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

Debt Administration

At the end of the current fiscal year, the County had total long-term liabilities of \$816 million.

Long Term Liabilities For the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2025	2024 ⁽¹⁾	2025	2024 ⁽¹⁾	2025	2024 ⁽¹⁾	Dollar Change	Percent Change
Compensated absences	\$ 91,300	\$ 88,065	\$ 1,360	\$ 1,385	\$ 92,660	\$ 89,450	\$ 3,210	3.6%
Self-Insurance	73,119	72,371	-	-	73,119	72,371	748	1.0%
Certificates of participation	29,629	4,920	-	-	29,629	4,920	24,709	502.2%
Bonds and bond premium payable	61,690	61,568	32,615	31,904	94,305	93,472	833	0.9%
Pension obligation bonds	159,945	183,880	-	-	159,945	183,880	(23,935)	(13.0%)
Loans payable	-	-	14,207	14,713	14,207	14,713	(506)	(3.4%)
Other long-term obligations	4,734	5,915	5,867	6,986	10,601	12,901	(2,300)	(17.8%)
Lease liabilities	105,583	99,274	-	-	105,583	99,274	6,309	6.4%
SBITA liabilities	5,111	4,384	-	-	5,111	4,384	727	16.6%
Net pension liability	136,712	205,786	2,407	3,385	139,119	209,171	(70,052)	(33.5%)
Net OPEB liability	90,420	125,102	1,683	1,988	92,103	127,090	(34,987)	(27.5%)
Total	\$ 758,243	\$ 851,265	\$ 58,139	\$ 60,361	\$ 816,382	\$ 911,626	\$ (95,244)	(10.4%)

⁽¹⁾ The FY 2024 Compensated Absences balance was restated due to the implementation of GASB 101. See Notes 7 and 16.

Long-term liabilities decreased by \$95.2 million, or 10.4%, during the current fiscal year ended June 30, 2025.

The decrease was primarily due to the following:

- Net pension liability decrease of \$70.1 million, due to favorable returns on investments at Sonoma County Employee's Retirement Association (SCERA)
- Pension obligation bonds decrease of \$23.9 million, due to scheduled principal payments
- Net OPEB liability decrease of \$35.0 million, due to the County's contributions
- Partially offset by certificate of participation due to the issuance of the 2024 Energy Resiliency Projects COP

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Sonoma County has seen a modest increase in unemployment in the past year, although the rate remains below the historical average. Inflation has cooled along with declining retail sales. High interest rates have contributed to a slow housing market, although sales activity began to rebound in early 2025 along with a slight decline in medium home prices. For fiscal year 2025-26, these trends and factors are expected to lead to a moderate rate of property tax growth and slightly declining sales tax revenue (excluding the voter-approved sales tax measure revenues passed through non-County entities). Overall, revenues are expected to increase. The State’s fiscal challenges remain a point of concern. Additionally, changing priorities at the Federal level may impact funding levels going forward.

Requests for Information

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

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

Basic Financial Statements



Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	Primary Government			Discrete Component Units		
	Governmental Activities	Business-Type Activities	Total	Sonoma Water	Community Development Commission	Nonmajor Component Units
ASSETS						
Cash and investments	\$ 1,267,100	\$ 64,911	\$ 1,332,011	\$ 210,550	\$ 30,188	\$ 64,284
Restricted cash and investments	8,142	18,508	26,650	21,718	1,879	3,507
Receivables, net	40,246	35,896	76,142	26,917	128,870	2,474
Inventories	858	1,179	2,037	418	-	-
Due from other governments	192,969	8,653	201,622	-	-	473
Lease receivables	6,039	6,955	12,994	-	-	1
Prepaid expenses and deposits	13,655	792	14,447	2,667	248	19
Internal balances	94	(94)	-	-	-	-
Capital assets:						
Nondepreciable	1,096,242	48,985	1,145,227	161,662	16,923	25,101
Depreciable, net	688,477	153,741	842,218	182,848	12,886	111,986
Total assets	3,313,822	339,526	3,653,348	606,780	190,994	207,845
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	1,201	-	1,201	127	-	13
Deferred amounts related to pensions	116,322	1,957	118,279	7,895	1,199	-
Deferred amounts related to OPEB	53,365	1,316	54,681	4,906	1,029	-
Total deferred outflows of resources	170,888	3,273	174,161	12,928	2,228	13
LIABILITIES						
Accounts payable and accrued liabilities	116,414	8,180	124,594	11,949	1,925	3,088
Due to other governments	23,187	98	23,285	986	-	53
Advances from grantors and third parties	56,001	1,760	57,761	-	-	-
Deposits from others	2,121	317	2,438	19	54	-
Interest payable	1,497	488	1,985	1,997	-	368
Other liabilities	12,675	1,539	14,214	6,265	-	-
Long-term liabilities:						
Due within one year	100,227	3,306	103,533	11,106	483	1,519
Due in more than one year	658,016	54,833	712,849	119,892	7,820	23,778
Total liabilities	970,138	70,521	1,040,659	152,214	10,282	28,806
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to leases	5,612	6,691	12,303	-	492	-
Refunding and service concession arrangements	209	27,807	28,016	95	-	753
Deferred amounts related to pensions	77,679	692	78,371	5,184	688	-
Deferred amounts related to OPEB	13,456	514	13,970	1,182	388	-
Total deferred inflows of resources	96,956	35,704	132,660	6,461	1,568	753

See accompanying notes to the basic financial statements

Statement of Net Position (continued)
June 30, 2025
(Dollars in Thousands)

	Primary Government			Discrete Component Units		
	Governmental Activities	Business- Type Activities	Total	Sonoma Water	Community Development Commission	Nonmajor Component Units
NET POSITION						
Net investment in capital assets	1,638,010	186,365	1,824,375	242,991	25,201	112,124
Restricted:						
Capital projects	33,273	-	33,273	-	-	-
Debt service	4,510	-	4,510	-	-	-
Agricultural preservation and open spaces	65,835	-	65,835	-	-	-
Health services programs	251,489	-	251,489	-	-	-
Public protection	91,209	-	91,209	-	-	-
Public assistance	60,271	-	60,271	-	-	-
Parks donations, mitigation and operations	10,387	-	10,387	-	-	-
Lighting districts	13,922	-	13,922	-	-	-
Fire and emergency services	2,789	-	2,789	-	-	-
Courthouse/Criminal Justice construction	3,126	-	3,126	-	-	-
Clerk, Recorder, Assessor operations	3,622	-	3,622	-	-	-
Other programs	7,118	321	7,439	-	-	-
Airport Passenger Facility Charges	-	2,516	2,516	-	-	-
Airport Customer Facility Charges	-	1,399	1,399	-	-	-
Integrated Waste contractual commitments	-	24,941	24,941	-	-	-
Fair junior livestock auction	-	140	140	-	-	-
Fair capital asset maintenance	-	86	86	-	-	-
Fair endowment	-	1,000	1,000	-	-	-
Discrete Component Units	-	-	-	111,680	1,654	2,597
Total restricted	547,551	30,403	577,954	111,680	1,654	2,597
Unrestricted	232,055	19,806	251,861	106,362	154,517	63,578
Total net position	\$ 2,417,616	\$ 236,574	\$ 2,654,190	\$ 461,033	\$ 181,372	\$ 178,299

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES				
Primary government:				
Governmental activities:				
General government	\$ 161,022	\$ 59,571	\$ 72,992	\$ 554
Public protection	471,157	39,413	147,324	725
Public ways and facilities	59,448	5,087	67,207	-
Health and sanitation	277,823	13,674	220,050	39
Public assistance	295,104	1,802	266,941	-
Education	1,529	-	-	-
Recreation and cultural services	48,878	7,417	8,193	2,249
Interest on long-term debt	15,817	-	-	-
Total governmental activities	1,330,778	126,964	782,707	3,567
Business-type activities:				
Integrated Waste	9,293	9,236	176	-
Airport	17,817	12,570	232	67
Energy Independence Program	2,274	2,206	-	-
Transit	25,020	1,001	20,702	5,757
Fair	12,034	11,332	-	-
Marinas	2,822	3,151	-	-
Other	1,166	1,208	68	-
Total business-type activities	70,426	40,704	21,178	5,824
Total primary government	\$ 1,401,204	\$ 167,668	\$ 803,885	\$ 9,391
Discrete Component Units:				
Sonoma Water	\$ 121,397	\$ 93,787	\$ 7,083	\$ 3,770
Community Development Commission	87,002	-	86,224	-
Sonoma Valley Sanitation District	17,724	21,567	(885)	2,321
Russian River Sanitation District	9,305	7,671	-	72
South Park Sanitation District	3,503	5,044	-	14
Occidental Sanitation District	1,740	640	-	970
Total Discrete Component Units	\$ 240,671	\$ 128,709	\$ 92,422	\$ 7,147
GENERAL REVENUES AND TRANSFERS:				
General revenue:				
Property tax				
Documentary transfer revenue				
Transient occupancy tax				
Grants and other governmental revenue not restricted to specific programs				
Unrestricted investment earnings				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as previously presented				
Restatements				
Net position, beginning of year, as restated				
Net position, end of year				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Discrete Component Units			
Governmental Activities	Business-Type Activities	Total	Sonoma Water	Community Development Commission	Nonmajor Component Units	
FUNCTION/PROGRAM ACTIVITIES						
Primary government:						
Governmental activities:						
\$ (27,905)	\$ -	\$ (27,905)				General government
(283,695)	-	(283,695)				Public protection
12,846	-	12,846				Public ways and facilities
(44,060)	-	(44,060)				Health and sanitation
(26,361)	-	(26,361)				Public assistance
(1,529)	-	(1,529)				Education
(31,019)	-	(31,019)				Recreation and cultural services
(15,817)	-	(15,817)				Interest on long-term debt
(417,540)	-	(417,540)				Total governmental activities
Business-type activities:						
-	119	119				Integrated Waste
-	(4,948)	(4,948)				Airport
-	(68)	(68)				Energy Independence Program
-	2,440	2,440				Transit
-	(702)	(702)				Fair
-	329	329				Marinas
-	110	110				Other
-	(2,720)	(2,720)				Total business-type activities
(417,540)	(2,720)	(420,260)				Total primary government
Discrete Component Units:						
\$ (16,757)	\$ -	\$ -				Sonoma Water
-	(778)	-				Community Development Commission
-	-	5,279				Sonoma Valley Sanitation District
-	-	(1,562)				Russian River Sanitation District
-	-	1,555				South Park Sanitation District
-	-	(130)				Occidental Sanitation District
(16,757)	(778)	5,142				Total Discrete Component Units
GENERAL REVENUES AND TRANSFERS:						
General revenue:						
365,305	-	365,305	28,669	-	-	Property tax
6,163	-	6,163	12,422	-	-	Documentary transfer revenue
30,073	-	30,073	-	-	-	Transient occupancy tax
156,146	-	156,146	-	-	-	Grants and other governmental revenue not restricted to specific programs
69,569	4,941	74,510	11,872	(2,308)	3,549	Unrestricted investment earnings
71,808	2,686	74,494	-	-	-	Other
6,952	(6,952)	-	-	-	-	Transfers
706,016	675	706,691	52,962	(2,308)	3,549	Total general revenues and transfers
288,476	(2,045)	286,431	36,205	(3,086)	8,691	Change in net position
2,169,492	239,210	2,408,702	429,441	184,761	169,608	Net position, beginning of year, as previously presented
(40,352)	(591)	(40,943)	(4,613)	(303)	-	Restatements
2,129,140	238,619	2,367,759	424,828	184,458	169,608	Net position, beginning of year, as restated
\$ 2,417,616	\$ 236,574	\$ 2,654,190	\$ 461,033	\$ 181,372	\$ 178,299	Net position, end of year

See accompanying notes to the basic financial statements

Balance Sheet
Governmental Funds
June 30, 2025
(Dollars in Thousands)

	General Fund	Human Services Special Revenue	Health and Sanitation Special Revenue	Open Space Special Tax Account Special Revenue	Capital Projects Fund	Other Funds	Total
ASSETS							
Assets:							
Cash and investments	\$ 403,290	\$ 17,437	\$ 204,660	\$ 60,779	\$ 179,466	\$ 260,385	\$ 1,126,017
Cash and investments with trustee	2,491	-	-	-	-	4,520	7,011
Accounts receivable	9,422	382	2,581	5,056	-	21,889	39,330
Interest receivable	3	-	-	-	-	2	5
Due from other funds	1,396	6,224	1,900	-	-	23,648	33,168
Inventories	103	-	-	-	-	755	858
Due from other governments	31,952	33,887	93,397	-	199	33,484	192,919
Advances to other funds	114	-	-	-	-	-	114
Lease receivables	5,059	-	-	-	-	980	6,039
Prepaid items and deposits	8,056	4,696	205	-	-	307	13,264
Total assets	\$ 461,886	\$ 62,626	\$ 302,743	\$ 65,835	\$ 179,665	\$ 345,970	\$ 1,418,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued salaries and benefits	\$ 45,387	\$ 1,388	\$ 19,906	\$ -	\$ 5,764	\$ 35,154	\$ 107,599
Due to other funds	1,905	19,515	3,581	-	-	7,526	32,527
Due to other governments	3,112	2,113	16,327	-	-	1,635	23,187
Advances from grantors and third parties	19,587	1,275	22,208	-	-	12,931	56,001
Deposits from others	2,024	-	-	-	-	8	2,032
Compensated absences	781	55	-	-	-	-	836
Other liabilities	293	-	9,821	-	-	1,956	12,070
Total liabilities	73,089	24,346	71,843	-	5,764	59,210	234,252
Deferred inflows of resources:							
Deferred amounts related to leases	4,709	-	-	-	-	903	5,612
Deferred amounts related to refunding	-	117	92	-	-	-	209
Unavailable revenue	9,188	495	8,607	-	174	382	18,846
Total deferred inflows of resources	13,897	612	8,699	-	174	1,285	24,667
Fund balances:							
Nonspendable	8,273	4,696	205	-	-	1,062	14,236
Restricted	1,539	32,972	221,996	65,835	-	234,834	557,176
Committed	357	-	-	-	-	45,412	45,769
Assigned	286,564	-	-	-	173,727	4,167	464,458
Unassigned	78,167	-	-	-	-	-	78,167
Total fund balances	374,900	37,668	222,201	65,835	173,727	285,475	1,159,806
Total liabilities, deferred inflows of resources, and fund balances	\$ 461,886	\$ 62,626	\$ 302,743	\$ 65,835	\$ 179,665	\$ 345,970	\$ 1,418,725

See accompanying notes to the basic financial statements

Reconciliation of the Balance Sheet to Statement of Net Position
Governmental Funds
June 30, 2025
(Dollars in Thousands)

Fund balances - total governmental funds	\$	1,159,806
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. This amount represents capital assets net of accumulated depreciation/amortization		1,774,085
Certain amounts are not available to pay current period expenditures and therefore are not reported in the governmental funds		
Deferred charge on refunding		1,201
Deferred amounts related to pensions		552
Deferred amounts related to OPEB		594
Certain amounts are not available to pay current period expenditures and therefore are deferred inflows of resources in the governmental funds		18,846
Internal service funds are used by management to charge the costs of other activities to individual funds. The assets, deferred outflows, liabilities, and deferred inflows of certain funds are included as governmental activities in the Statement of Net Position		(239,374)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Accrued interest payable	(695)	
Compensated absences	(89,274)	
Contracts payable	(1,324)	
Lease liability	(105,432)	
SBITA liability	(4,471)	
Bonds payable	(52,305)	
Certificates of participation	(29,629)	
Unamortized issuance premium	(9,385)	
Net pension liability	(1,272)	
Net OPEB liability	(897)	
Financed purchases	(3,410)	(298,094)
Net position of governmental activities	\$	2,417,616

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025
(Dollars in Thousands)

	General Fund	Human Services Special Revenue	Health and Sanitation Special Revenue	Open Space Special Tax Account Special Revenue	Capital Projects Fund	Other Funds	Total
Revenues:							
Taxes	\$ 403,780	\$ -	\$ 30,530	\$ 31,601	\$ -	\$ 91,776	\$ 557,687
License, permit, and franchise fees	24,495	60	7,967	-	-	3,864	36,386
Fines, forfeitures and penalties	16,647	39	704	-	-	4,410	21,800
Use of money and property	24,965	1,865	10,734	3,492	5,495	14,659	61,210
Intergovernmental	174,335	230,412	201,029	-	2,803	177,695	786,274
Charges for services	57,473	1,703	4,456	-	-	5,147	68,779
Other	9,140	4,695	32,870	-	1,273	28,166	76,144
Total revenues	710,835	238,774	288,290	35,093	9,571	325,717	1,608,280
Expenditures:							
Current:							
General government	134,389	-	-	-	881	9,995	145,265
Public protection	377,403	-	-	-	-	115,022	492,425
Public ways and facilities	1,846	-	-	-	-	43,801	45,647
Health and sanitation	6,954	-	270,581	-	-	13,077	290,612
Public assistance	458	271,811	-	-	-	44,922	317,191
Education	1,358	-	-	-	-	-	1,358
Recreation and cultural services	35,715	-	-	-	-	18,744	54,459
Capital outlay	29,604	723	774	-	34,607	107,758	173,466
Debt service:							
Principal	8,284	5,249	3,220	-	-	3,497	20,250
Interest and other	1,744	467	864	-	-	2,175	5,250
Total expenditures	597,755	278,250	275,439	-	35,488	358,991	1,545,923
Excess (deficiency) of revenues over (under) expenditures	113,080	(39,476)	12,851	35,093	(25,917)	(33,274)	62,357
Other financing sources (uses):							
Transfers in	23,919	31,706	18,380	-	84,957	79,504	238,466
Transfers out	(159,456)	(1,281)	(1,803)	(38,727)	(4,558)	(26,686)	(232,511)
Lease inception	15,527	-	642	-	-	2,509	18,678
SBITA inception	2,370	164	-	-	-	1,034	3,568
Issuance of long-term debt	29,594	-	-	-	-	-	29,594
Sales of capital assets	571	3	-	-	-	20	594
Total other financing sources (uses)	(87,475)	30,592	17,219	(38,727)	80,399	56,381	58,389
Net change in fund balances	25,605	(8,884)	30,070	(3,634)	54,482	23,107	120,746
Fund balances, beginning of year, as previously presented	349,295	46,552	192,131	69,469	-	381,613	1,039,060
Adjustments	-	-	-	-	119,245	(119,245)	-
Fund balances, beginning of year, as adjusted	349,295	46,552	192,131	69,469	119,245	262,368	1,039,060
Fund balances, end of year	\$ 374,900	\$ 37,668	\$ 222,201	\$ 65,835	\$ 173,727	\$ 285,475	\$ 1,159,806

See accompanying notes to the basic financial statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2025
(Dollars in Thousands)**

Net change in fund balances - total governmental funds		\$	120,746
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense			
Capital outlay	173,466		
Depreciation expense	(54,108)		
Other related capital adjustments	(2,229)		117,129
The Statement of Activities reports gains or losses from the sale of capital assets as the difference between the proceeds from sale of capital assets and the book value of the sold capital assets, while the governmental funds report the proceeds from sale of capital assets. The difference is the book value of the sold capital assets			
			(794)
Donations of capital assets increase net position in the Statement of Activities but do not appear in the governmental funds because they are not financial resources			
			662
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds			
			(2,909)
Issuance of long-term debt provides current financial resources to governmental funds. Repayment of debt principal is an expenditure in the governmental funds. Neither has any effect on net position. Also, governmental funds report the effect of premiums when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities			
Principal repayments	20,250		
Lease inception	(18,678)		
SBITA inception	(3,568)		
Issuance of long-term debt	(26,815)		
Premium on long-term debt issued	(3,131)		
Amortization of bond premium	412		(31,530)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds			
Change in accrued interest	(604)		
Change in compensated absences	(3,163)		
Change in net pension liability	108		
Change in net OPEB liability	321		(3,338)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities			
			88,510
Change in net position of governmental activities		\$	288,476

See accompanying notes to the basic financial statements

Statement of Net Position
Proprietary Funds
June 30, 2025
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds					Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Other	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 48,346	\$ 2,083	\$ 2,966	\$ 11,516	\$ 64,911	\$ 141,083
Cash and investments with trustee	-	-	-	13	13	1,131
Restricted cash and investments	-	-	-	1,399	1,399	-
Receivables, net						
Accounts receivable	1,756	1,811	65	390	4,022	911
Interest receivable	-	12	-	-	12	-
Loans	-	60	-	-	60	-
Contractual assessments receivable	-	-	1,186	-	1,186	-
Due from other funds	29	-	-	5	34	-
Inventories	-	-	-	1,179	1,179	-
Due from other governments	30	2,739	-	5,884	8,653	50
Lease receivable	40	314	-	-	354	-
Prepaid expenses and deposits	-	71	3	56	130	391
Total current assets	50,201	7,090	4,220	20,442	81,953	143,566
Noncurrent assets:						
Restricted cash and investments	11,673	3,663	-	1,760	17,096	-
Lease receivable	193	6,408	-	-	6,601	-
Deposits and other assets	167	473	22	-	662	-
Contractual assessments receivable	-	-	30,616	-	30,616	-
Capital assets:						
Nondepreciable	9,904	23,844	-	15,237	48,985	660
Depreciable, net	9,418	115,325	93	28,905	153,741	9,974
Total noncurrent assets	31,355	149,713	30,731	45,902	257,701	10,634
Total assets	81,556	156,803	34,951	66,344	339,654	154,200
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amounts related to pensions	377	502	-	1,078	1,957	115,195
Deferred amounts related to OPEB	262	283	-	771	1,316	52,599
Total deferred outflows of resources	639	785	-	1,849	3,273	167,794
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	1,425	1,737	112	4,906	8,180	8,815
Due to other funds	-	-	-	14	14	661
Due to other governments	-	-	-	98	98	-
Advances from grantors and third parties	-	-	-	1,760	1,760	-
Deposits from others	-	28	-	289	317	89
Interest payable	-	210	270	8	488	802
Compensated absences	158	140	-	457	755	448
Advances from other governments	-	-	-	26	26	-
Self-funded insurance	-	-	-	-	-	16,088
Lease & subscription liability	-	-	-	-	-	420
Bonds payable	-	-	1,999	-	1,999	27,045
Loans payable	-	526	-	-	526	-
Contract retention payable	368	-	-	-	368	-
Other liabilities	-	52	383	736	1,171	605
Total current liabilities	1,951	2,693	2,764	8,294	15,702	54,973

See accompanying notes to the basic financial statements

Statement of Net Position (continued)
Proprietary Funds
June 30, 2025
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds					Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Other	Total	Internal Service Funds
Noncurrent portion of long-term liabilities:						
Self-funded insurance	-	-	-	-	-	57,031
Compensated absences	195	302	-	108	605	742
Advances from other funds	-	-	100	14	114	-
Advances from other governments	-	-	-	807	807	-
Lease & subscription liability	-	-	-	-	-	371
Bonds payable	-	-	30,616	-	30,616	132,900
Loans payable	-	13,681	-	-	13,681	-
Landfill closure and postclosure costs	5,034	-	-	-	5,034	-
Net pension liabilities	458	605	-	1,344	2,407	135,440
Net OPEB liabilities	323	420	-	940	1,683	89,523
Total noncurrent liabilities	6,010	15,008	30,716	3,213	54,947	416,007
Total liabilities	7,961	17,701	33,480	11,507	70,649	470,980
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to leases	220	6,471	-	-	6,691	-
Service concession arrangement	27,807	-	-	-	27,807	-
Deferred amounts related to pensions	206	282	-	204	692	77,104
Deferred amounts related to OPEB	43	72	-	399	514	13,284
Total deferred inflows of resources	28,276	6,825	-	603	35,704	90,388
NET POSITION						
Net investment in capital assets	19,322	124,964	93	41,986	186,365	9,843
Restricted for passenger facility charges	-	2,516	-	-	2,516	-
Restricted for customer facility charges	-	1,399	-	-	1,399	-
Restricted for contractual commitments	24,941	-	-	-	24,941	-
Restricted for junior livestock auction	-	-	-	140	140	-
Restricted for capital asset maintenance	-	-	-	86	86	-
Restricted for endowment	-	-	-	1,000	1,000	-
Restricted - other	-	51	-	270	321	-
Unrestricted	1,695	4,132	1,378	12,601	19,806	(249,217)
Total net position (deficit)	\$ 45,958	\$ 133,062	\$ 1,471	\$ 56,083	\$ 236,574	\$ (239,374)

See accompanying notes to the basic financial statements

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds						Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Transit	Other	Total	Internal Service Funds
Operating revenues:							
Charges for services	\$ 2,005	\$ 2,221	\$ 92		\$ 3,204	\$ 7,522	\$ 239,329
Rents and concessions	7,231	10,182	-		12,378	29,791	3,172
Interest income	-	-	2,114		-	2,114	-
Sales and miscellaneous	-	167	-		1,119	1,286	3,624
Total operating revenues	9,236	12,570	2,206		16,701	40,713	246,125
Services and supplies	5,638	7,769	1,340		29,676	44,423	38,969
Salaries and employee benefits	2,694	3,902	-		7,032	13,628	93,611
Claim expenses	-	-	-		-	-	20,798
Depreciation and amortization	961	5,640	29		4,308	10,938	2,142
Total operating expenses	9,293	17,311	1,369		41,016	68,989	155,520
Operating income (loss)	(57)	(4,741)	837		(24,315)	(28,276)	90,605
Investment income	3,816	461	199		465	4,941	6,935
Interest expense	-	(506)	(905)		(26)	(1,437)	(10,215)
Intergovernmental	176	232	-		20,770	21,178	-
Gain (loss) on disposal of capital assets	-	-	-		(9)	(9)	187
Miscellaneous	-	2538	-		148	2,686	-
Total nonoperating revenues (expenses)	3,992	2,725	(706)		21,348	27,359	(3,093)
Income (loss) before capital contributions and transfers	3,935	(2,016)	131		(2,967)	(917)	87,512
Capital contributions	-	67	-		5,757	5,824	-
Transfers in	2,330	11	-		745	3,086	1,023
Transfers out	(10,003)	(14)	(5)		(16)	(10,038)	(25)
Change in net position	(3,738)	(1,952)	126		3,519	(2,045)	88,510
Net position (deficit), beginning of year, as previously presented	49,852	135,216	1,345	24,571	28,226	214,639	(327,363)
Adjustments/restatements	(156)	(202)	-	(24,571)	24,338	23,980	(521)
Net position (deficit), beginning of year, as adjusted or restated	49,696	135,014	1,345	-	52,564	238,619	(327,884)
Net position (deficit), end of year	\$ 45,958	\$ 133,062	\$ 1,471		\$ 56,083	\$ 236,574	\$ (239,374)

See accompanying notes to the basic financial statements



Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds					Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Other	Total	Internal Service Funds
Cash flows from operating activities:						
Received from customers	\$ 7,778	\$ 12,314	\$ 94	\$ 17,250	\$ 37,436	\$ -
Received from interfund services provided	-	-	-	-	-	192,516
Received from assessments	-	-	4,017	-	4,017	-
Received for interest	-	-	2,136	-	2,136	-
Payments for assessments	-	-	(5,176)	-	(5,176)	-
Payments to suppliers for goods and services	(3,458)	(5,585)	(248)	(28,739)	(38,030)	(59,046)
Payments to employees for services	(2,760)	(4,102)	(1,089)	(8,051)	(16,002)	(92,797)
Payments for interfund services used	(2,110)	(1,870)	-	-	(3,980)	-
Net cash provided (used) by operating activities	(550)	757	(266)	(19,540)	(19,599)	40,673
Cash flows from noncapital financing activities:						
Transfers in	-	46	-	103	149	1,023
Transfers out	-	-	-	(1)	(1)	(25)
Due from other funds	2,327	-	-	-	2,327	-
Due to other governments	-	-	-	-	-	248
Due to other funds	(10,000)	(2,000)	(5)	-	(12,005)	(881)
Advances to other funds	-	-	-	-	-	(661)
Deposits from others	-	-	-	-	-	89
Intergovernmental receipts	146	-	-	-	146	-
Proceeds from bonds	-	-	4,673	-	4,673	-
Principal paid on bonds	-	-	(3,961)	-	(3,961)	(23,935)
Interest paid on bonds	-	-	(869)	-	(869)	(10,314)
Proceeds from other governments	-	146	-	18,712	18,858	-
Contributions	-	-	-	20	20	-
Net cash provided (used) by noncapital financing activities	(7,527)	(1,808)	(162)	18,834	9,337	(34,456)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(7,412)	(2,690)	-	(5,875)	(15,977)	(3,121)
Principal paid on capital debt	-	(507)	-	-	(507)	-
Due from other governments	-	-	-	(8)	(8)	-
Advances to other governments	-	-	-	28	28	-
Proceeds from grants and other contributions	-	2,147	-	-	2,147	-
Receipts from facility charges	-	2,310	-	-	2,310	-
Capital contributions	-	-	-	6,622	6,622	-
Interest paid	-	(513)	-	(26)	(539)	(19)
Net cash provided (used) by capital and related financing activities	(7,412)	747	-	741	(5,924)	(3,140)
Cash flows from investing activities:						
Interest received on investments	3,816	461	199	549	5,025	6,935
Proceeds on loan receivable	3,000	61	-	-	3,061	-
Net cash provided by investing activities	6,816	522	199	549	8,086	6,935
Net increase (decrease) in cash and cash equivalents	(8,673)	218	(229)	584	(8,100)	10,012
Cash and cash equivalents, beginning of year	68,692	5,528	3,195	14,104	91,519	132,202
Cash and cash equivalents, end of year	\$ 60,019	\$ 5,746	\$ 2,966	\$ 14,688	\$ 83,419	\$ 142,214

See accompanying notes to the basic financial statements

Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Business-Type Activities-Enterprise Funds					Governmental Activities
	Integrated Waste	Airport	Energy Independence Program	Other	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (57)	\$ (4,741)	\$ 837	\$ (24,315)	\$ (28,276)	\$ 90,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	961	5,640	29	4,308	10,938	2,142
Net pension activity	(35)	(75)	-	(375)	(485)	(16,678)
Net OPEB activity	(84)	(183)	-	(506)	(773)	(37,024)
Service concession arrangement	(1,429)	-	-	-	(1,429)	-
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable	(26)	(194)	35	456	271	93
Inventories	-	-	-	5	5	-
Prepaid expenses and deposits	8	21	(3)	-	26	(46)
Other assets	(2)	(56)	(654)	(13)	(725)	-
Increase (decrease) in:						
Accounts payable	1,152	282	(532)	965	1,867	850
Unearned revenue	-	4	22	-	26	-
Landfill closure and postclosure costs	(1,091)	-	-	-	(1,091)	-
Self-funded insurance	-	-	-	-	-	748
Compensated absences	53	59	-	(138)	(26)	66
Other liabilities	-	-	-	73	73	(83)
Net cash provided (used) by operating activities	\$ (550)	\$ 757	\$ (266)	\$ (19,540)	\$ (19,599)	\$ 40,673
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Cash and investments	\$ 48,346	\$ 2,083	\$ 2,966	\$ 11,516	\$ 64,911	141,083
Cash and investments with trustee	-	-	-	13	13	1,131
Restricted cash and investments, current	-	-	-	3,159	3,159	-
Restricted cash and investments, noncurrent	11,673	3,663	-	-	15,336	-
Total cash and cash equivalents	\$ 60,019	\$ 5,746	\$ 2,966	\$ 14,688	\$ 83,419	\$ 142,214
Noncash investing, capital and financing activities:						
Acquisition of capital assets through payables	\$ -	\$ 302	\$ -	\$ -	\$ 302	\$ -
Right-to-use lease acquisitions	-	-	-	-	-	27

See accompanying notes to the basic financial statements

Fiduciary Funds
Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust	Private Purpose Trust	Custodial	
				External Investment Pool	Other
ASSETS					
Cash and investments	\$ 2,152	\$ 1,834,593	\$ 5,195	\$ 112,736	\$ 26,511
Restricted investments with trustee	329,274	3,789	750	1,440	187
Accounts receivable	150,904	8,269	773	20	103,008
Due from other governments	-	12,278	66	-	5,112
Investments at fair value:					
Cash and equivalents	2,681	-	-	-	-
Mutual funds	188,803	-	-	-	-
Corporate obligations	197,113	-	-	-	-
Government obligations	255,209	-	-	-	-
Equities	2,199,089	-	-	-	-
Other investments	1,080,069	-	-	-	-
Total investments	3,922,964	-	-	-	-
Other assets	1,945	97,291	394	-	825
Total assets	4,407,239	1,956,220	7,178	114,196	135,643
LIABILITIES					
Accounts payable and other liabilities	2,853	9,923	73	23	9,355
Due to other governments	-	14,930	41	92,747	12,667
Other liabilities	449,076	103,933	19,191	2,892	26,662
Total liabilities	451,929	128,786	19,305	95,662	48,684
NET POSITION (DEFICIT)					
Restricted for:					
Pension	3,758,167	-	-	-	-
Other postemployment benefits	197,143	-	-	-	-
Pool participants	-	1,827,433	-	18,534	-
Organizations and other governments	-	-	(12,127)	-	86,959
Total net position (deficit)	\$ 3,955,310	\$ 1,827,433	\$ (12,127)	\$ 18,534	\$ 86,959

See accompanying notes to the basic financial statements

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust	Private Purpose Trust	Custodial	
				External Investment Pool	Other
ADDITIONS					
Contributions:					
Employer contributions	\$ 135,583	\$ 3,582	\$ -	\$ -	\$ -
Employee contributions	54,205	-	-	-	-
OPEB employer contributions outside of trust	3,271	-	-	-	-
Total contributions	193,059	3,582	-	-	-
Investment earnings:					
Net increase (decrease) in fair value of investments	309,216	25,391	65	5,793	1,894
Interest, dividends, and other	91,778	60,755	837	8,405	2,665
Total investment earnings (loss)	400,994	86,146	902	14,198	4,559
Less investment costs:					
Investment expense	25,304	1,907	743	-	34
Net investment earnings (loss)	375,690	84,239	159	14,198	4,525
Property taxes	-	1,067,879	103,890	-	174,716
Other taxes	-	46,777	-	-	29,477
Licenses and fees	-	63,339	8	88	61,252
Miscellaneous	213	1,265,296	1,121	93,728	19,065
Total additions	568,962	2,531,112	105,178	108,014	289,035
DEDUCTIONS					
Benefits paid to participants or beneficiaries	221,361	-	-	-	-
Employer plan expense	2,967	-	-	-	-
Payments to other governments	22,663	2,342,370	102,621	400,604	296,043
Administrative expenses	5,982	2,303	6	71	2,767
Total deductions	252,973	2,344,673	102,627	400,675	298,810
Net increase (decrease) in fiduciary net position	315,989	186,439	2,551	(292,661)	(9,775)
Net position (deficit), beginning	3,639,321	1,640,994	(14,678)	311,195	96,734
Net position (deficit), ending	\$ 3,955,310	\$ 1,827,433	\$ (12,127)	\$ 18,534	\$ 86,959

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements

June 30, 2025

(Dollars in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Definition of Reporting Entity

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

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

Blended Component Units

Sonoma County Fair and Exposition, Inc. (Fair) – The governing body of the Fair is the County’s governing body. The County owns the Fairgrounds property and has a contract with the Fair for operations. All debts and obligations of the Fair are County debts and obligations. The Fair’s financial statements use calendar year reporting. The financial statements are presented as of December 31, 2024, which is the latest period audited.

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

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

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

Discretely Presented Component Units

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

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

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

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

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

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

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

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

Component Units - Fiduciary in Nature

Sonoma County Employees' Retirement Association (SCERA) – was established January 1, 1946, under the provisions of the 1937 County Employees Retirement Act. SCERA is a cost-sharing, multiple-employer Defined Benefit Pension Plan (Plan) legally separate entity from the County. The County's Board of Supervisors appoints the voting majority of SCERA's board and is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. Accordingly, SCERA's December 31, 2024 financials are reported in the Fiduciary Funds of the basic financial statements. SCERA issues calendar year stand-alone financial statements which are available at <http://scetire.org/Financial/Financial-Reports/>.

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

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

(b) Basis of Presentation

Government - Wide Financial Statements

The Statement of Net Position and Statement of Activities provide information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations are made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges to external parties.

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

The County reports the following major proprietary funds:

- ◆ The **Integrated Waste Enterprise Fund** accounts for Sonoma County integrated waste management activities throughout the County and is administered as a division of the Sonoma County Public Infrastructure. Activities include management of one sanitary landfill and five transfer stations; regulation of two franchised commercial refuse haulers; and development, administration, and implementation of the County Integrated Waste Management Plan.
- ◆ The **Airport Enterprise Fund** accounts for activities related to the operations of the Charles M. Schultz Sonoma County Airport (Airport). Airport operations include commercial passenger services as well as air cargo, private and corporate flights, military, search and rescue, firefighting, and law enforcement services.
- ◆ The **Sonoma County Energy Independence Program Enterprise Fund (SCEIP or Energy Independence Program)** accounts for activities related to the passage of California Assembly Bill 811 (AB 811) in July 2008. Activities include financing to commercial and residential property owners for energy and water efficiency improvements on existing buildings.

The County reports the following additional fund types:

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

(c) Basis of Accounting

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

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

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

(d) Non-Current Governmental Assets/Liabilities

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

(e) Cash and Cash Equivalents

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

(f) Investments

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

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

(g) Restricted Cash and Investments

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

(h) Inventories

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

(i) Assets Held for Sale

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

(j) Prepaid Items/Expenses and Deposits

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

(k) Capital Assets

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

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

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

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

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

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

(I) Deferred Outflows and Inflows of Resources

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

(m) Leases

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

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

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

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

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

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

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

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

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

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

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

(n) Subscription-based Information Technology Arrangements

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

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

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

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

(o) Long-term Obligations

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

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

(p) Net Position/Fund Balance

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

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

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

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

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

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

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

(q) Property Tax Levy, Collection and Maximum Rates

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

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

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

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

Net taxable valuation for the year ended June 30, 2025, was approximately \$128 billion, which includes secured, unsecured, Home Owner Property Tax Relief, and unitary values. The tax rate was \$1 dollar per \$100 dollar of valuation (\$0.35 for the County and Special Districts, \$0.48 for schools, \$0.09 for cities, and \$0.08 for redevelopment activities within the County of Sonoma). On February 1, 2012, the State of California dissolved all redevelopment agencies (see Note 14 – Successor Agency Private Purpose Trust Fund). Taxes are collected by the County and apportioned to each taxing agency in accordance with state law. In addition, special assessments are levied to provide for debt service on general obligations that were voter-approved. Delinquencies for the year amounted to approximately 2.1% of the current secured and unsecured property tax revenue assessed.

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

(r) Compensated Absences

The County recognizes a liability for compensated absences for leave benefits, such as vacation, sick leave, and other paid time off (PTO), when all of the following conditions are met:

- ◆ The employee has already rendered services that give rise to the entitlement to compensated absences;
- ◆ The leave accumulates, meaning it can be carried forward to future periods if unused; and
- ◆ It is more likely than not that the leave will be used for time off, paid out in cash, or settled through other means.

The liability for compensated absences is calculated based on employees' current pay rates and includes applicable salary-related payments, such as employer-paid payroll taxes and deferred compensation. A liability for compensated absences is recorded in the governmental funds only if the liability is to be paid out within one year. In the government-wide and proprietary fund financial statements, the County accrues a liability for the portion of compensated absences that are expected to be used within one year, reported as a current liability, and the remaining portion as a long-term liability.

(s) Pension

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

(t) Other Postemployment Benefits

The County recognizes a net other postemployment benefit (OPEB) liability, which represents the County's excess of the total OPEB liability over the fiduciary net position of the OPEB plan as stated in the actuarial report completed by an external actuarial firm. Changes in the net OPEB liability are recorded, in the period incurred, as

OPEB expense or as deferred inflows or outflows of resources. Benefit contributions are recognized when due and payable. Investments are reported at fair value.

(u) Estimates

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

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

The following GASB statements were implemented for the fiscal year ending June 30, 2025:

GASB Statement No. 101, *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by aligning compensated absence recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The effect of implementing this statement on beginning fund balance and net position is disclosed in Note 16.

GASB Statement No. 102, *Certain Risk Disclosures*: The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The County implemented this statement without any impact to the County.

(w) Future GASB Pronouncements

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

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

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

NOTE 2 – CASH AND INVESTMENTS

(a) Financial Statement Presentation

Total cash and investments at June 30, 2025 were presented on the County's financial statements as follows:

	Unrestricted	Restricted	Total
Governmental activities	\$ 1,267,100	\$ 8,142	\$ 1,275,242
Business-type activities	64,911	18,508	83,419
Primary government	1,332,011	26,650	1,358,661
Component units	305,022	27,104	332,126
Total government-wide	1,637,033	53,754	1,690,787
Fiduciary funds:			
Pension (and Other Employee Benefit) trust funds	3,925,116	329,274	4,254,390
Investment trust funds	1,834,593	3,789	1,838,382
Private-purpose trust funds	5,195	750	5,945
Custodial-external investment pool	112,736	1,440	114,176
Custodial-other custodial funds	26,511	187	26,698
Total cash and investments	\$ 7,541,184	\$ 389,194	\$ 7,930,378

(b) Investment Guidelines and Investment Policy

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

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

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

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

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

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

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

(c) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In a rising interest rate market, the fair value of investments could decline below original cost. Conversely, in

a declining interest rate market, the fair value of investments will generally increase. The County investment policy does not contain requirements that would limit the exposure to interest rate risk. The County manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing over time as necessary to provide the cash flow and liquidity needed for operations, which reduces the chances of the County from having to sell investments below original cost. Of the County’s \$3.7 billion portfolio as of June 30, 2025, 42% of the investments have a maturity of one year or less. Of the remainder less than 1%, all of which are SCEIP bonds, have a maturity of more than 5 years.

(d) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- ◆ The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.
- ◆ California law also allows financial institutions to secure the County’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.
- ◆ The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

(e) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County’s policy to purchase investments meeting ratings requirements established by the California Government Code.

(f) Concentration of Credit Risk

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

Issuer	Investment Type	Amount	Percentage Holdings
Federal Home Bank	Federal Agency Security	\$ 576,581	15.78%
Federal Home Loan Mortgage Corp.	Federal Agency Security	237,023	6.49

(g) Treasury Pool

The Treasury Pool includes amounts held for various school districts, whose participation in the Treasury Pool is mandated by State code. Cash on deposit with the Treasury Pool at June 30, 2025 is stated at fair value. The Treasury Pool's fair value calculations at fiscal year-end are based on quoted market values provided by the County's custodial bank. The fair value adjustment increased the Treasury Pool's investment income and carrying value by \$3,339 at June 30, 2025. Involuntary participants of the County's investment pool totaled \$1,834,593 at June 30, 2025. Investments held in the Treasury Pool are summarized as follows:

Investment	Cost	Fair Value	Interest Rate Range	Maturity Range
U.S. Agency Securities	1,141,735	1,136,371	0.5-4.84%	9/10/25-4/15/30
U.S. Treasury Notes	278,532	281,438	3.733-4.222	2/15/26-2/15/30
Supranational Obligations	270,917	270,246	0.376-6.95	7/15/25-1/12/29
Other Government Obligations	245,492	244,219	0.489-7.25	7/1/25-3/1/30
Commerical Paper	181,069	181,068	4.19-4.46	7/1/25-9/11/25
Certificates of Deposit	402,000	402,106	4.23-5.52	7/3/25-7/7/25
Corporate and Medium Term Notes	901,989	909,625	0.45-7.8	7/1/25-6/5/30
Money Market Mutual Funds	10,789	10,789	3.40	1 day
CalTRUST	51,000	51,000	5.41	1 day
CAMP	168,000	168,000	5.44	1 day
Totals	\$ 3,651,523	\$ 3,654,862		

(h) Condensed Pool Statements

The Treasury Pool includes investments with a fair value of \$3,654,862 and deposits of \$181,726. The following represents a condensed statement of net position and changes in net position for the Treasury Pool as of and for the fiscal year ended June 30, 2025:

Statement of Net Position

Cash and investments	\$ 3,836,588
Less: Cash, deposits, and outstanding warrants	(223,249)
Net position held for pool participants	3,613,339
Equity of internal participants	1,634,304
Equity of external pool participants	1,979,035
Net position held for pool participants	\$ 3,613,339

Statement of Changes in Net Position

Net position at July 1, 2024	\$ 3,677,441
Net change in pooled cash and investments	(64,102)
Net position held for pool participants at June 30, 2025	\$ 3,613,339

(i) Investment Credit Ratings and Maturity

As of June 30, 2025, the County's investments and their credit ratings and maturities are as follows:

	Credit Rating (Moody's / S & P)	Maturity					
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	Fair Value
Non-pooled investments:							
Cash and cash equivalents	Not rated	\$ 4,703	\$ -	\$ -	\$ -	\$ -	\$ 4,703
Money market mutual funds	AAAm	5,991	-	-	-	-	5,991
OPEB trust investments:							
Cash and cash equivalents	Not rated	2,681	-	-	-	-	2,681
Mutual funds	Not rated	143,126	-	-	-	-	143,126
Corporate obligations	A2/A	208	129	274	9,689	11,278	21,578
Government obligations	A1/A+	-	-	-	2,977	26,781	29,758
Total investments held by fiscal agents		\$ 156,709	\$ 129	\$ 274	\$ 12,666	\$ 38,059	\$ 207,837
Investments managed by County Treasurer:							
U.S. Agency Securities:							
Federal Farm Credit Bank	Aaa/AAA	-	17,512	9,777	131,181	-	158,470
Federal Home Loan Bank	Aaa/AAA	-	52,832	73,881	449,868	-	576,581
Federal Home Loan Mortgage Corp.	Aaa/AAA	-	36,484	9,873	190,666	-	237,023
Federal National Mortgage Association	Aaa/AAA	-	3,451	24,517	136,329	-	164,297
Subtotal U. S. Agency Securities		-	110,279	118,048	908,044	-	1,136,371
U.S. Treasury	Aaa/AA+	-	-	39,316	242,122	-	281,438
Supranational obligations	Aaa/AAA	66,078	42,906	51,175	110,086	-	270,245
Other government obligations	Aa2/AA	23,415	79,847	26,595	97,846	16,516	244,219
Commercial Paper	A1/A+	57,955	123,113	-	-	-	181,068
Certificates of deposit	A1/A+	70,008	45,001	212,016	75,081	-	402,106
Corporate and medium term notes	Aa3/AA-	82,232	59,120	102,159	666,115	-	909,626
Money market mutual funds	AAAm	10,789	-	-	-	-	10,789
Joint Powers Authority Pool:							
CalTRUST	Aaa/AAA	51,000	-	-	-	-	51,000
California Asset Management Program	Aaa/AAA	168,000	-	-	-	-	168,000
Total investments managed by County Treasurer		\$ 529,477	\$ 460,266	\$ 549,309	\$ 2,099,294	\$ 16,516	3,654,862
Cash and deposits	N/A						23,494
Less outstanding warrants	N/A						(65,017)
Subtotal cash and investments managed by County Treasurer (Pooled)							3,613,339
Cash and deposits - other							223,249
Subtotal cash and investments managed by County Treasurer							3,836,588
		Maturity					
		12 Months or Less	13 – 24 Months	25 – 60 Months	More than 60 Months		Fair Value
Discrete Component Units							
Sonoma Water							
Non-pooled investments:							
Money market mutual funds	AAAm	\$ 23,965	\$ -	\$ -	\$ -	\$ -	23,965
SCEIP bonds	N/A	634	696	2,388	11,012		14,730
Total investments held by bond trustees		\$ 24,599	\$ 696	\$ 2,388	\$ 11,012	\$	38,695
Fiduciary Component Units							
SCERA non-pooled investments:							\$ 4,055,095
Total cash and investments							\$ 7,930,378

(j) Joint Powers Authorities

The County is a voluntary participant in two Joint Powers Authorities (JPAs), the California Asset Management Program (CAMP) and the Investment Trust of California (CalTRUST), which fall under California Government Code 53601(p). These JPAs are each directed by a Board of Trustees made up of experienced investment

officers, local government finance directors, and treasurers of the public agency members. The value of pool shares in the three JPAs that may be withdrawn is determined on an amortized cost basis, which is the same as the fair value of the County's portion in the pool. As of June 30, 2025 the County's total investment in JPAs was \$219,000.

(k) Tobacco Endowment

In accordance with California Government Code Section 53601, any investment with a maturity in excess of five years requires the express authorization of the County's Board of Supervisors. In 2002, the County established the Sonoma County Tobacco Endowment Fund (Endowment) for the purpose of funding future capital projects. The Endowment was funded from a portion of the proceeds of the Series 2002B Tobacco Securitization Bonds. Pursuant to a resolution by the Board of Supervisors on October 24, 2000, the County Treasurer was authorized to purchase tax-exempt municipal obligations of any state or local government with a final maturity no later than the final maturity of the Bonds in 2030. As of June 30, 2025, the County's investment in the Tobacco Endowment was invested in money market mutual funds totaling \$10,789.

(l) Sonoma County Energy Independence Program (SCEIP)

In accordance with California Government Code Section 53601, any investment with a maturity in excess of five years requires the express authorization of the County's Board of Supervisors. On March 24, 2009, the Board of Supervisors authorized the creation of the Sonoma County Energy Independence Program (SCEIP) enabling Sonoma County property owners to finance energy conservation and generation improvements through voluntary contractual property assessments. State Assembly Bill 811 is the authorizing legislation for SCEIP and was signed into law the fall of 2008. To finance the program, on April 21, 2009, the Board of Supervisors authorized the Sonoma County Treasury Pooled Investment Fund to purchase up to \$60,000 of SCEIP bonds issued by the Sonoma County Public Financing Authority with maturities of 10 and 20 years. As of June 30, 2025, the County's investment in SCEIP bonds, included in other governmental obligations, was \$17,886.

(m) Fair Value Measurements

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

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

The County's investments measured at fair value as of June 30, 2025 are as follows:

Investments	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Agency securities	\$ 1,136,371	\$ -	\$ 1,136,371	\$ -
U.S. Treasury Notes	281,438	281,438	-	-
Supranational obligations	270,245	-	270,245	-
Other government obligations	244,219	-	226,333	17,886
Commercial Paper	181,068	-	181,068	-
Certificates of deposit	402,106	-	402,106	-
Corporate and medium term notes	909,626	-	909,626	-
Total investments measured at fair value	3,425,073	\$ 281,438	\$ 3,125,749	\$ 17,886
Investments not subject to fair value hierarchy:				
Money market mutual funds	10,789			
CalTRUST	51,000			
California Asset Management Program	168,000			
Total pooled and managed investments	\$ 3,654,862			
Discrete Component Units				
Sonoma Water				
SCEIP bonds	\$ 14,730	\$ -	\$ -	\$ 14,730
Total investments measured at fair value	14,730	\$ -	\$ -	\$ 14,730
Investments not subject to fair value hierarchy:				
Money market mutual funds	23,965			
Total investments	\$ 38,695			
Fiduciary Component Unit				
SCERA				
Non-pooled investments	\$ 4,055,095			

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

Pages 75 through 82 below are an excerpt from SCERA's ACFR Cash and Short-Term Investments, Deposits and Investments, Securities Lending, Summary of Investments, and Fair Value Measurement Notes for the year ended December 31, 2024, and all references in the excerpt are to SCERA's ACFR at <https://scretire.org/Microsites/SCERA/Documents/Financial/ACFR%202024.pdf>

CASH AND SHORT-TERM INVESTMENTS

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

The following chart is a summary of cash and short-term investments, as of December 31, 2024.

Cash and Short-Term Investment Funds	
(held by)	
(Dollars in Thousands)	
	2024
County Treasury	\$ 3,954
Custodian Bank	192,246
Total	\$ 196,200

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

DEPOSITS AND INVESTMENTS

State Street Bank serves as custodian of SCERA’s investments. SCERA’s asset classes include US Equity, Non-US Equity, Global Equity, Fixed Income, Real Assets, and Opportunistic. Any class may be held in direct form, pooled form, or both. SCERA ended 2024 with 17 investment managers, managing 21 individual portfolios.

Investments on December 31, 2024, consist of the following (excluding collateral held for securities lending as described in Note F):

Investments at Fair Value	
(Dollars in Thousands)	
	2024
Fixed Income	\$ 587,538
Equities	2,199,089
Real Assets	924,515
Opportunistic	14,679
Total Investments	\$ 3,725,821

DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

Custodial Credit Risk

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

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

That portion of the System’s cash held by the County of Sonoma as part of the County’s treasury pool totaled \$4 million as of December 31, 2024. SCERA’s investments in the treasury pool are held in the name of the County and are not specifically identifiable.

Disclosure of the legal and contractual provisions of the County’s Investment Policy and carrying amounts by type of investments may be found in the notes to the County’s separate Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

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

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

The average duration and S&P credit rating of SCERA's fixed income portfolio as of December 31, 2024 were:

Investment Type	Fair Value (Dollars in Thousands)	S&P Rating	Duration (Years)
Agency Backed Mortgages	\$ 166,575	AA+	4.86
Bank Loans	106,625	B-	7.04
Non-Agency Backed Mortgages	77,212	AA+	11.99
Corporate	68,910	A-	5.75
Other Asset Backed	59,725	AAA	5.36
Government Issues	58,876	AA+	4.70
Mutual Funds	45,677	N/R	N/A
Other	3,938	N/R	N/A
Total	\$ 587,538		

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

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

Foreign Currency Risk

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

DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk (continued)

The following positions represent SCERA’s exposure to foreign currency risk as of December 31, 2024:

Securities	
Base Currency	Fair Value in USD (Dollars in Thousands)
Canada – CAD	\$ 890
Great Britain – GBP	73
Euro – EUR	70
Australia – AUD	49
South Africa – ZAR	7
Brazil – BRL	3
Singapore – SGD	1
Total Non-USD Securities	\$ 1,093

Derivatives

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

The acceptable investment purposes for the use of derivatives include:

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

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

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

Futures Contracts

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

Forward Contracts

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

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

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

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

Swap Agreements

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

The following positions represent SCERA's exposure to derivatives as of December 31, 2024:

Investment Derivatives Summary (Dollars in Thousands)			
Derivative Type	Change in Fair Value	Fair Value	Notional
Futures	\$ 303	\$ -	\$ 166,002
Forwards	621	(35)	8,267
Swaps – Credit Default	173	211	7,765
Swaps – Interest Rate	456	667	33,890
Total	\$ 1,553	\$ 843	\$ 215,924

Investment Derivative Credit Risk

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

The following represents SCERA's exposure to derivative credit risk as of December 31, 2024:

Derivative Credit Risk Ratings Summary (Dollars in Thousands)	
S&P Credit Rating	Fair Value
AA-	\$ 67
A+	34
A-	905
BBB+	137
Total subject to credit risk	\$ 1,143

DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments subject to interest rate risk as of December 31, 2024 are:

Interest Rate Risk Analysis (Dollars in Thousands)	
Derivative Type	Interest Rate Derivatives
Fair Value	\$878
Notional	\$41,655
Reference Rate	SOFR – 3-12 months

SECURITIES LENDING

SCERA, pursuant to a Securities Lending Authorization Agreement, has authorized State Street Bank and Trust (States Street) to act as the Client’s agent in lending Client’s securities to approved borrowers. State Street, as agent, enters into Securities Loan Agreements with borrowers.

During 2024, State Street lent, on behalf of SCERA, certain securities of SCERA held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the United States government. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, State Street had an obligation to indemnify SCERA in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during 2024 that resulted in a declaration or notice of default of the Borrower.

During 2024, SCERA and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of the Compass Fund (formerly known as “the liquidity pool”).

As of December 31, 2024, the Compass Fund had an average duration of 9.18 days and an average weighted final maturity of 99.21 days for USD. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On December 31, 2024, SCERA had no credit risk exposure to borrowers.

The fair value of collateral held and the market value (USD) of securities on loan for SCERA as of December 31, 2024, was \$177.7 million (\$135.2 million of cash collateral and \$42.5 million of non-cash collateral) and \$172.2 million, respectively.

SUMMARY OF INVESTMENT POLICIES

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

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

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

FAIR VALUE MEASUREMENTS

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

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

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

FAIR VALUE MEASUREMENTS (continued)

Investments and Derivatives Measured at Fair Value

For the Year Ended December 31, 2024

INVESTMENT TYPE (Dollars in Thousands)	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Fixed Income Securities				
US Government Securities	\$ 58,876	\$ -	\$ 58,876	\$ -
Agency Backed Mortgages	166,575	-	166,575	-
Bank Loans	106,625	77	105,058	1,490
Corporate	68,910	-	68,910	-
Non-Agency Backed Mortgages	77,212	-	77,212	-
Other	3,938	-	3,689	249
Other Asset Backed	59,725	-	59,725	-
Mutual Funds	45,677	38,079	7,598	-
Total Fixed Income Securities	587,538	38,156	547,643	1,739
Equity Securities				
Domestic Equity	1,191,895	1,190,209	1,504	182
Non-US Equity	1,007,194	1,006,467	727	-
Total Equity Securities	2,199,089	2,196,676	2,231	182
Real Assets				
Real Estate	256,897	-	-	256,897
Infrastructure	389,173	-	-	389,173
Farmland	278,445	-	-	278,445
Total Real Assets	924,515	-	-	924,515
Collateral from Securities Lending	135,226	-	135,226	-
Limited Partnership (Opportunistic)	14,679	-	-	14,679
Total Investments	\$ 3,861,047	\$ 2,234,832	\$ 685,100	\$ 941,115
Derivatives				
Swaps	\$ 878	\$ -	\$ 878	\$ -
Forwards	(35)	(35)	-	-
Total Derivatives	\$ 843	\$ (35)	\$ 878	\$ -

NOTE 3 – INTERFUND TRANSACTIONS**(a) Interfund Receivables/Payables**

Interfund receivables and payables result from a time lag between the dates that 1) transactions are recorded in the accounting system or 2) payments are made between funds. Interfund balances as of June 30, 2025 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Special Revenue Fund	\$ 515
	Health and Sanitation Special Revenue Fund	121
	Internal service funds	661
	Other governmental funds	85
	Other enterprise funds	14
		1,396
Human Services Special Revenue Fund	Other governmental funds	6,224
Health and Sanitation Special Revenue Fund	General Fund	1,900
Integrated Waste	Mandated Revenues	29
Other enterprise funds	General Fund	5
Other governmental funds	Health and Sanitation Special Revenue Fund	3,460
	Human Services Special Revenue Fund	19,000
	Roads	1,188
		23,648
Total		\$ 33,202

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Energy Independence Program funds	\$ 100
	Other enterprise funds	14
		\$ 114

(b) Transfers

Transfers are used to fund capital projects, payments for debt service, subsidies of various County operations, and re-allocations of special revenue. The following schedules summarize the County's transfer activity during the fiscal year ended June 30, 2025:

(1) Between Governmental and Business-Type Activities:

Transfer from	Transfer To	Amount	Purpose of Funding
Governmental Activities:	Business-Type Activities		
General Fund	Integrated Waste Fund	\$ 2,330	Operations
	Airport Enterprise Fund	11	Operations
	Other enterprise funds	745	Operations
		3,086	
Business-Type Activities:	Governmental Activities:		
Integrated Waste Fund	General Fund	(3)	Operations
	Other governmental funds	(10,000)	Operations
Airport Enterprise Fund	General Fund	(14)	Operations
Energy Independence Program	General Fund	(5)	Operations
Other enterprise funds	General Fund	(16)	Operations
		(10,038)	
Total		\$ (6,952)	

(2) Between Funds within the Governmental Activities:

Transfer from	Transfer To	Amount	Purpose of Funding
General Fund	Human Services Special Revenue Fund	\$ 31,706	Operations
	Health and Sanitation Special Revenue Fund	18,380	Operations
	Capital Projects Fund	79,360	Capital Projects
	Internal service funds	1,023	Operations and Capital Projects
	Other governmental funds	25,901	Operations
		156,370	
Health and Sanitation Special Revenue Fund	General Fund	554	Operations
	Capital Projects Fund	1,249	Capital Projects
		1,803	
Human Services Special Revenue Fund	General Fund	1,281	Operations
Open Space Special Tax Account Special Revenue Fund	Other governmental funds	38,727	Operations
Capital Projects Fund	General Fund	3,363	Operations
	Other governmental funds	1,195	Capital Projects
		4,558	
Other governmental funds	General Fund	18,658	Operations
	Capital Projects Fund	4,347	Capital Projects
	Other governmental funds	3,681	Operations and Capital Projects
		26,686	
Internal service funds	General Fund	25	Operations
Total		\$ 229,450	

NOTE 4 – CAPITAL ASSETS

Capital asset activities for the fiscal year ended June 30, 2025 are as follows:

Governmental Activities:	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Capital assets, non-depreciable:					
Land	\$ 357,151	\$ -	\$ -	\$ 40	\$ 357,191
Intangible assets	457,779	37,496	-	702	495,977
Work in progress	5,230	11,133	(210)	(4,743)	11,410
Construction in progress	162,293	102,475	(2,947)	(30,157)	231,664
Total capital assets, non-depreciable	982,453	151,104	(3,157)	(34,158)	1,096,242
Capital assets, depreciable:					
Intangible assets	58,036	-	(1,135)	225	57,126
Infrastructure	700,305	-	(8,559)	28,431	720,177
Buildings and improvements	463,556	-	(180)	1,043	464,419
Land improvements	15,519	-	-	643	16,162
Machinery and equipment	109,708	5,951	(7,977)	3,816	111,498
Right-to-use asset - building	123,870	19,407	(6,860)	-	136,417
Right-to-use asset - land	2,392	114	(65)	-	2,441
Right-to-use asset - M&E	2,830	-	-	-	2,830
Right-to-use asset - SBITA/subscription	9,495	4,004	(1,018)	-	12,481
Total capital assets, depreciable	1,485,711	29,476	(25,794)	34,158	1,523,551
Less accumulated depreciation/amortization for:					
Intangible assets	(46,605)	(3,051)	1,131	-	(48,525)
Infrastructure	(426,784)	(15,040)	8,377	-	(433,447)
Buildings and improvements	(214,312)	(10,808)	54	-	(225,066)
Land improvements	(3,743)	(1,031)	-	-	(4,774)
Machinery and equipment	(71,526)	(9,035)	6,716	-	(73,845)
Right-to-use asset - building	(33,867)	(14,372)	5,503	-	(42,736)
Right-to-use asset - land	(520)	(155)	65	-	(610)
Right-to-use asset - M&E	(119)	(88)	-	-	(207)
Right-to-use asset - SBITA/subscription	(4,212)	(2,670)	1,018	-	(5,864)
Total accumulated depreciation/amortization	(801,688)	(56,250)	22,864	-	(835,074)
Total capital assets, depreciable, net	684,023	(26,774)	(2,930)	34,158	688,477
Total capital assets, net	\$ 1,666,476	\$ 124,330	\$ (6,087)	\$ -	\$ 1,784,719

Business-type activities:	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Capital assets, non-depreciable:					
Land	\$ 27,720	\$ -	\$ -	\$ 3	\$ 27,723
Construction in progress	55,008	15,664	-	(49,410)	21,262
Total capital assets, non-depreciable	82,728	15,664	-	(49,407)	48,985
Capital assets, depreciable:					
Intangible assets	12,207	-	-	-	12,207
Infrastructure	13,048	-	-	4,171	17,219
Land improvements	224	-	-	-	224
Buildings and improvements	262,061	168	-	44,217	306,446
Machinery and equipment	43,954	224	(126)	1,054	45,106
Total capital assets, depreciable	331,494	392	(126)	49,442	381,202
Less accumulated depreciation/amortization for:					
Intangible assets	(10,107)	(284)	-	-	(10,391)
Infrastructure	(3,119)	(682)	-	-	(3,801)
Land improvements	(97)	(15)	-	-	(112)
Buildings and improvements	(174,298)	(7,357)	-	-	(181,655)
Machinery and equipment	(28,981)	(2,600)	114	(35)	(31,502)
Total accumulated depreciation/amortization	(216,602)	(10,938)	114	(35)	(227,461)
Total capital assets, depreciable, net	114,892	(10,546)	(12)	49,407	153,741
Total capital assets, net	\$ 197,620	\$ 5,118	\$ (12)	\$ -	\$ 202,726

Depreciation/Amortization Expense

Depreciation/amortization expense charged for the fiscal year ended June 30, 2025 are as follows:

Governmental Activities:	
General government	\$ 9,643
Public protection	12,220
Public ways and facilities	15,294
Health and sanitation	6,717
Public assistance	6,402
Education	261
Recreation and cultural services	3,571
Depreciation on Heavy Equipment Replacement ISF capital assets	896
Depreciation on Enterprise Resource Planning (ERP) ISF capital assets	1,246
Total depreciation/amortization expense	\$ 56,250
Business-Type Activities:	
Integrated Waste	\$ 961
Airport	5,640
Energy Independence Program	29
Transit	3,079
Fair	892
Marinas	132
Other Districts	205
Total depreciation/amortization expense	\$ 10,938

NOTE 5 – LEASES**Lessor:**

As of June 30, 2025, the County was the lessor for several noncancelable leases for building space, land, machinery & equipment, and an easement. The lease terms expire at various times through FY 2061. Monthly payments include both fixed and variable payments. Variable payments are adjusted based on the Consumer Price Index (CPI). The County recognized \$1,053 in lease revenue and \$329 in interest revenue during the current fiscal year. As of June 30, 2025, the receivables for lease payments and deferred inflow of resources were \$12,994 and \$12,303, respectively. Lease interest rates range from 0.73% to 3.70%.

The future principal and interest lease payments receivable as of June 30, 2025 are as follows:

Governmental Activities

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Receivable
2026	\$ 418	\$ 144	\$ 562
2027	405	135	540
2028	395	125	520
2029	406	116	522
2030	326	107	433
2031 - 2035	1,420	436	1,856
2036 - 2040	1,849	233	2,082
2041 - 2045	795	26	821
2046 - 2050	25	2	27
	\$ 6,039	\$ 1,324	\$ 7,363

Business-Type Activities

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Receivable
2026	\$ 354	\$ 153	\$ 507
2027	346	146	492
2028	330	140	470
2029	313	134	447
2030	321	128	449
2031 - 2035	1,182	554	1,736
2036 - 2040	1,029	431	1,460
2041 - 2045	1,125	302	1,427
2046 - 2050	898	176	1,074
2051 - 2055	766	77	843
2056 - 2060	264	9	273
2061	27	-	27
	\$ 6,955	\$ 2,250	\$ 9,205

Lessee:

As of June 30, 2025 the County was the lessee for several noncancellable leases for building space, land, and machinery & equipment. The lease terms expire at various times through FY 2054. Monthly payments include both fixed and variable payments. Variable payments are adjusted based on CPI. At June 30, 2025, the value of the lease liability was \$105,583. Lease interest rates range from 0.47% to 3.61%.

The future principal and interest lease payments as of June 30, 2025 are as follows:

Governmental Activities ⁽¹⁾

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2026	\$ 12,729	\$ 2,438	\$ 15,167
2027	12,376	2,187	14,563
2028	10,671	1,944	12,615
2029	9,452	1,714	11,166
2030	9,629	1,484	11,113
2031 - 2035	27,118	4,780	31,898
2036 - 2040	16,426	2,114	18,540
2041 - 2045	4,478	680	5,158
2046 - 2050	1,355	343	1,698
2051 - 2055	1,349	111	1,460
	\$ 105,583	\$ 17,795	\$ 123,378

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

NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has entered into several subscription-based information technology arrangements (SBITAs) to finance the purchase of data storage, training, enterprise planning, communication, ballot counting and other software systems. SBITA terms expire at various times through FY2035. Payments include both interest and principal. As of June 30, 2025, the value of the SBITA liability was \$5,111. SBITA interest rates range from 1.89% to 3.11%.

The future minimum obligations under subscription-based information technology arrangements as of June 30, 2025, are as follows:

Governmental Activities ⁽¹⁾

Fiscal Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,112	\$ 133	\$ 1,245
2027	1,023	107	1,130
2028	768	81	849
2029	841	60	901
2030	514	38	552
2031-2035	853	80	933
	\$ 5,111	\$ 499	\$ 5,610

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

NOTE 7 – LONG-TERM LIABILITIES

(a) Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the fiscal year ended June 30, 2025:

Governmental Activities	Balance June 30, 2024 Restated ⁽²⁾	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Compensated absences ⁽³⁾	\$ 88,065	\$ 3,235	\$ -	\$ 91,300	\$ 37,724
Self-insurance ⁽¹⁾	72,371	1,424	(676)	73,119	16,088
Certificates of participation - direct borrowing	4,920	26,815	(2,106)	29,629	3,045
Bonds payable	54,890	-	(2,585)	52,305	1,245
Pension obligation bonds - direct placement ⁽¹⁾	183,880	-	(23,935)	159,945	27,045
Financed purchases	3,929	-	(519)	3,410	577
Lease liabilities ⁽¹⁾	99,274	18,678	(12,369)	105,583	12,729
Subscription liabilities ⁽¹⁾	4,384	3,568	(2,841)	5,111	1,112
Contracts payable ⁽⁴⁾	1,986	-	(662)	1,324	662
Net pension liability ⁽¹⁾	205,786	-	(69,074)	136,712	-
Net OPEB liability ⁽¹⁾	125,102	2	(34,684)	90,420	-
Subtotal long-term liabilities	844,587	53,722	(149,451)	748,858	100,227
Unamortized issuance premiums	6,678	3,131	(424)	9,385	-
Total long-term liabilities	\$ 851,265	\$ 56,853	\$ (149,875)	\$ 758,243	\$ 100,227

Business-type Activities	Balance June 30, 2024 Restated ⁽²⁾	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Compensated absences ⁽³⁾	\$ 1,385	\$ -	\$ (25)	\$ 1,360	\$ 755
Landfill closure and postclosure ⁽⁴⁾	6,124	147	(1,237)	5,034	-
Advances from other governments - direct borrowing	862	-	(29)	833	26
Energy bonds payable - direct placement	31,904	4,672	(3,961)	32,615	1,999
Loans payable - direct borrowing	14,713	-	(506)	14,207	526
Net pension liability	3,385	-	(978)	2,407	-
Net OPEB liability	1,988	77	(382)	1,683	-
Total long-term liabilities	\$ 60,361	\$ 4,896	\$ (7,118)	\$ 58,139	\$ 3,306

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

⁽²⁾ The beginning balance was restated due to the implementation of GASB 101. See Note 16.

⁽³⁾ The change in the compensated absences liability is presented as a net change.

⁽⁴⁾ As of FY2019-20, long-term contract payable and landfill closure and postclosure were determined to be long-term liability and not debt, and therefore excluded from the net investment in capital assets calculation. They are also excluded in the Ratios of Outstanding Debt and Schedule of Direct and Overlapping Debt schedules in Statistical section.

(b) Long-term obligations outstanding

Individual issues of certificates of participation, bonds, loans, and financed purchase obligations outstanding at June 30, 2025 are as follows:

Governmental Activities	Maturity	Interest Rates/ Ranges	Annual Principal Installments	Original Issue Amount	Outstanding Balance June 30,2025
Certificates of Participation from direct borrowing:					
2017 General Services Energy	2026	2.45%	\$660-1,080	\$ 17,225	\$ 2,814
2024 Energy Resiliency Projects	2044	4.00-5.00%	890-2,040	26,815	26,815
Unamortized issuance premium					2,975
					32,604
Bonds Payable:					
Tobacco Settlement - Bonds Series 2020	2049	1.38-5.00%	1,275-3,133	66,636	52,305
Unamortized issuance premium					6,410
					58,715
Pension Obligation Bonds from direct placement:					
2010 Series	2030	2.12-6.0%	0-38,030	289,335	159,945
					159,945
Financed Purchase Obligations					
Various	2044	3.62-6.77%	26-245	8,207	3,410
Total long-term obligations					\$ 254,674
Business-type Activities	Maturity	Interest Rates/ Ranges	Annual Principal Installments	Original Issue Amount	Outstanding Balance June 30,2025
Advances from other governments from direct borrowing:					
Various state and local agencies for the County's other enterprise funds	2053	2.75-3.41%	\$4-213	\$ 4,172	\$ 833
					833
Bonds Payable from direct placement:					
Energy Independence Program	2037	3.00%	93-2,926	\$ 96,750	32,615
Loans Payable from direct borrowing:					
iBank	2048	3.52-3.61%	103-716	17,000	14,207
					14,207
Total long-term obligations					\$ 47,655

(c) Debt Related Disclosures

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

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

The County issued the 2024 Energy Resiliency Projects COP in the amount of \$26,815, as a direct borrowing, to provide financing for energy conservation measures and upgrades at multiple County facilities. This COP is to be fully paid by 2044.

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

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

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

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

The Sonoma County Securitization Corporation has pledged all revenues received from the tobacco Master Settlement Agreement (MSA) to repay the outstanding principal of \$52,305 for the Tobacco Settlement Bonds, Series 2020. Total principal and interest remaining on the bonds is \$86,172 through 2049. During the fiscal year ended June 30, 2025, principal and interest paid on the Series 2020 Tobacco Settlement Bonds totaled \$4,261. Based on the above information, the County presents the debt service to maturity assuming no further turbo payments.

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

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

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

Energy Bonds Payable – The Sonoma County Public Financing Authority sold increments of special Contractual Assessment Revenue Bonds to the County's Treasury and to Sonoma Water as direct placement debt. The

proceeds of the bonds were lent to the Energy Independence Program major enterprise fund to finance the County's Energy Independence Program.

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

(d) Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings, and at June 30, 2025, does not expect to incur a liability.

(e) Debt service requirements

Schedule of debt payment requirements for long-term obligations outstanding to maturity at June 30, 2025 follows:

Governmental Activities

Year ending June 30:	Certificates of Participation from direct borrowing		Bonds Payable		Pension Obligation Bonds from direct placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,045	\$ 1,289	\$ 1,245	\$ 1,547	\$ 27,045	\$ 8,785
2027	1,595	1,196	3,085	1,484	30,420	7,061
2028	980	1,141	3,133	1,875	34,075	5,127
2029	1,030	1,092	2,615	1,871	38,030	2,963
2030	1,080	1,041	2,592	1,874	30,375	911
2031-2035	6,275	4,337	12,128	8,738	-	-
2036-2040	7,925	2,680	12,121	8,356	-	-
2041-2045	7,699	785	10,197	7,605	-	-
2046-2050	-	-	5,189	516	-	-
Subtotals	29,629	13,561	52,305	33,866	159,945	24,847
Issuance premiums	2,975	-	6,410	-	-	-
Total	\$ 32,604	\$ 13,561	\$ 58,715	\$ 33,866	\$ 159,945	\$ 24,847

Year ending June 30:	Financed Purchase Obligations	
	Principal	Interest
2026	\$ 577	\$ 127
2027	601	104
2028	363	84
2029	369	75
2030	72	66
2031-2035	410	276
2036-2040	514	173
2041-2045	504	46
Total	\$ 3,410	\$ 951

Business-type Activities

Year ending June 30:	Loans Payable from direct borrowings		Advances From Other Governments from direct borrowing		Energy Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 526	\$ 495	\$ 26	\$ 23	\$ 1,999	\$ 860
2027	544	476	27	22	2,181	865
2028	563	456	28	21	2,322	802
2029	583	436	28	21	2,468	735
2030	603	415	25	20	2,465	663
2031-2035	3,353	1,733	118	90	8,791	2,432
2036-2040	3,991	1,084	134	73	6,748	1,380
2041-2045	3,240	364	154	53	5,516	424
2046-2050	804	44	176	31	125	1
2051-2055	-	-	117	6	-	-
Total	\$ 14,207	\$ 5,503	\$ 833	\$ 360	\$ 32,615	\$ 8,162

NOTE 8 – EMPLOYEES’ RETIREMENT PLANS**(a) Plan Description**

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

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

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

At December 31, 2024, the date of the most recent actuarial valuation, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	5,911
Current active members	4,482
Inactive vested members	1,790
Total	12,183

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

(b) **Benefits Provided**

Benefit Tiers

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

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

Vesting

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

Benefit Payments

Benefits are based upon a combination of age, years of service, final compensation and the benefit payment option selected by the member. For Plan A members, final compensation is defined as the highest 12 consecutive months of compensation earnable. The maximum benefit payable to a member or beneficiary is 100% of the final compensation. For Plan B members, final compensation is based on the highest 36 months of pensionable compensation. Additionally Plan B members are limited in the amount of compensation used to calculate a benefit to 100% of the Social Security taxable wage base limit.

Cost of Living Adjustments

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

Death Benefit – Prior to Retirement

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

Death Benefit – After Retirement

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

Disability Benefit

Members with 5 years of service, regardless of age, are eligible for non-service connected disability. The benefit for Plan A members is 1.8% of final compensation for each year of service; and the benefit for Plan B members is 1.5%

of final compensation for each year of service. The maximum benefit for both Plans is 1/3 of final compensation. All employees, regardless of years of service are eligible for service connected disability. The benefit of a service connected disability is the greater of 50% of the highest average compensation or service retirement benefit.

Return of Contributions

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

(c) Actuarial Methods and Assumptions

The table below summarizes the actuarial methods and assumptions of Plan A and Plan B for the actuarial valuation and measurement date of December 31, 2024:

Actuarial cost method	Entry Age
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases - General	3.75% to 8.00%
Projected salary increases - Safety	4.00% to 10.50%
Inflation	2.50%
Cost-of-living adjustments	None

(d) Contributions and Funding Policy

The contribution requirements of Plan members and the County are determined by an independent actuary, approved by the SCERA Board of Retirement, and adopted by the Board of Supervisors. The contribution rates for the fiscal year ended June 30, 2025 were based on the Plan’s valuations dated December 31, 2022 and December 31, 2023. The contribution rates determined in each actuarial valuation take effect at the beginning of the fiscal year starting at least twelve months after the beginning of the valuation year, except when significant benefit or actuarial assumption changes occur. Plan A members are required to contribute between approximately 7% and 15% of their annual covered salary, and the member’s particular rate is based upon age at entry into the system. Plan B members are required to contribute a flat rate as calculated by the actuary. The County is required to contribute the remaining amounts necessary to finance the coverage of employees through periodic contributions at actuarially determined rates. Employer and member contributions are funded and recognized through the County and District payroll systems via employer benefit payments and employee deductions. For the fiscal year ended June 30, 2025, the County contributed \$90,153 or approximately 21.36% of covered payroll.

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

At June 30, 2025, the County reported a net pension liability of \$139,119 for its proportionate share of the net pension asset/liability, and discrete component units reported a net pension liability of \$11,764 for their proportionate share. The net pension asset/liability was measured as of December 31, 2024 and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension asset/liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all Plan participants, actuarially determined. At December 31, 2024, the County’s proportion was 83.03%, a 0.95% decrease compared to December 31, 2023, and the discrete component unit’s proportion was 7.02%, an increase of 0.11%, compared to December 31, 2023.

For the year ended June 30, 2025, the County recognized a pension expense of \$70,560 and the discrete component units recognized a pension expense of \$5,622. At June 30, 2025, the County and discrete component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 56,917	\$ -
Changes in assumptions	11,939	(6,271)
Net difference between projected and actual earnings on plan investments	-	(61,917)
Changes in proportion and differences between County contributions and proportionate share of contributions	2,374	(9,491)
Contributions subsequent to the measurement date	45,092	-
Total Governmental Activities	116,322	(77,679)
Business-Type Activities		
Differences between expected and actual experience	754	(17)
Changes in assumptions	241	-
Net difference between projected and actual earnings on plan investments	-	(541)
Changes in proportion and differences between County contributions and proportionate share of contributions	175	(134)
Contributions subsequent to the measurement date	787	-
Total Business-Type Activities	1,957	(692)
Total Primary Government Total	\$ 118,279	\$ (78,371)
Discrete Component Units		
Differences between expected and actual experience	\$ 4,327	\$ -
Changes in assumptions	1,403	-
Net difference between projected and actual earnings on plan investments	-	(4,639)
Changes in proportion and differences between employer contributions and proportionate share of contributions	38	(1,233)
Contributions subsequent to the measurement date	3,326	-
Total	\$ 9,094	\$ (5,872)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. Contributions made subsequent to the measurement date are recorded as deferred outflows of resources related to pensions and will be recognized as a reduction of net pension liability in the year ended June 30, 2026 totaling \$45,879 for the County and \$3,326 for discrete component units. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Governmental Activities ⁽¹⁾	Business-Type Activities ⁽¹⁾	Total Primary Government ⁽¹⁾	Discrete Component Units ⁽¹⁾
2026	\$ (1,368)	\$ 181	\$ (1,187)	\$ (122)
2027	53,285	630	53,915	4,517
2028	(37,605)	21	(37,584)	(2,842)
2029	(20,761)	(354)	(21,115)	(1,657)
Total	\$ (6,449)	\$ 478	\$ (5,971)	\$ (104)

⁽¹⁾ Brackets indicate negative expense

(f) Discount Rate

The discount rates used to measure the total pension liability was 6.75% as of December 31, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2024.

The long-term expected rate of return on assets was determined using a building block approach in which an expected future real rate of return is developed for each major asset class. These expected rates are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage adjusted by inflation and a risk margin. The target allocation and projected arithmetic real rates of return, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of December 31, 2024 are summarized in the table below:

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Large Cap Equity	16.87%	5.75%
Small Cap Equity	4.63%	6.57%
Developed International Equity	15.39%	6.44%
Global Equity	16.00%	6.57%
Emerging Market Equity	6.11%	8.30%
Core Bonds	12.00%	2.37%
Bank Loan	3.00%	4.50%
Real Estate	10.00%	4.56%
Infrastructure	8.00%	6.13%
Farmland	8.00%	4.39%
Total	100.00%	

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Governmental Activities	\$ 541,224	\$ 136,712	\$ (198,106)
Business-Type Activities	8,254	2,407	(2,436)
Total Primary Government	549,478	139,119	(200,542)
Discrete Component Units	45,150	11,764	(15,871)
Total	\$ 594,628	\$ 150,883	\$ (216,413)

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(a) Plan Description

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

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

The County established an OPEB trust with the Public Agency Retirement Services (PARS) in 2008 to accumulate resources to fund future benefit payments of the Plan. The OPEB trust is reported in the County of Sonoma's Annual Comprehensive Financial Report (ACFR). In lieu of a separately issued financial statements for the OPEB trust, condensed financial statements are presented below as of and for the year ended June 30, 2025 :

Other Postemployment Benefits (OPEB) Trust
Statement of Net Position
June 30, 2025
(Dollars in Thousands)

		Other Postemployment Benefits (OPEB) Trust
ASSETS		
Investments at fair value:		
Cash and equivalents		2,681
Mutual funds		143,126
Corporate obligations		21,578
Government obligations		29,758
Total investments		197,143
Total assets		197,143
LIABILITIES		
NET POSITION (DEFICIT)		
Restricted for:		
Other postemployment benefits		197,143
Total net position (deficit)	\$	197,143

Other Postemployment Benefits (OPEB) Trust
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Other Postemployment Benefits (OPEB) Trust
ADDITIONS	
Contributions:	
Employer contributions	\$ 41,714
OPEB employer contributions outside of trust	3,271
Total contributions	44,985
Investment earnings (loss):	
Interest, dividends, and other	17,903
Total investment earnings (loss)	17,903
Less investment costs:	
Net investment earnings (loss)	17,903
Total additions	62,888
DEDUCTIONS	
Payments to other governments	22,663
Administrative expenses	1,257
Total deductions	23,920
Net increase (decrease) in fiduciary net position	38,968
Net position, beginning	158,175
Net position, ending	\$ 197,143

(b) Benefits Provided

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

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

(c) Timeframes for GASB 75

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

Reporting Date	June 30, 2025
Valuation Date	June 30, 2024
Measurement Date	June 30, 2024

As of June 1, 2024, plan participants consisted of the following:

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

(d) Contributions

The Plan funding policy provides for periodic contributions by the County. The contributions rate as a percentage of covered payroll was 8.8%, and is authorized annually by the County Board of Supervisors to finance the costs of benefits for plan members, with an additional amount to finance the unfunded accrued liability. Employees do not contribute to the Plan. Contributions for the year ended June 30, 2025 were \$41,162. For additional information see (k) below.

(e) Net OPEB Liability – Employer GASB 75

At June 30, 2025 the County’s governmental activities, business-type activities and discrete component units reported net OPEB liabilities of \$90,420, \$1,683 and \$8,840 respectively.

(f) Actuarial Methods and Assumptions

The Net OPEB Liability (NOL) was measured as of June 30, 2024 and determined based on the total OPEB liability from actuarial valuations as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00%
	Non-Medicare Plans: 7.25% in 2024/2025 graded down to 4.50% over 11 years.
	Medicare Plans: 16.09% in 2024/2025, then 6.50% in 2025/2026 graded down to 4.50% over 8 years.
Trend rates	
	Analysis of actuarial experience per the January 1, 2018 through December 31, 2020 Actuarial Experience Study dated October 15, 2021 for Sonoma County Employees’ Retirement Association (SCERA).
Other assumptions	

(g) Investments

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

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

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

(h) Discount Rate

The discount rate used to measure the total OPEB liability (TOL) was 6.50% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments.

(i) Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2024	\$ 275,806	\$ 136,607	\$ 139,199
Changes for the year:			
Service Cost	4,158	-	4,158
Interest	16,562	-	16,562
Differences between expected and actual experience	(16,709)	-	(16,709)
Changes of assumptions	9,358	-	9,358
Contributions – employer	-	41,909	(41,909)
Net investment income	-	10,047	(10,047)
Benefit payments	(23,509)	(23,509)	-
Administrative expense	-	(331)	331
Net changes	(10,140)	28,116	(38,256)
Balances at June 30, 2025	\$ 265,666	\$ 164,723	\$ 100,943

The schedule above reports the allocable share of employer net OPEB liability based on a measurement date of June 30, 2024 (GASB 75) and will not agree to the Fiduciary Plan net position presented in the Required Supplementary Information which is calculated based on a measurement date of June 30, 2025 (GASB 74). In addition, the Fiduciary plan net position includes Sonoma County Transportation Authority, a non-County entity, not included in above; this entity's position in the Plan is immaterial, therefore the Plan is not considered as a cost-sharing plan.

(j) Sensitivity of the Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in Discount Rate

The following presents the net OPEB liability as of June 30, 2025 calculated using the discount rate of 6.50%, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Governmental Activities	\$ 110,001	\$ 90,420	\$ 73,399
Business-Type Activities	2,005	1,683	1,404
Total Primary Government	112,006	92,103	74,803
Discrete Component Units	10,754	8,840	7,176
Total	\$ 122,760	\$ 100,943	\$ 81,979

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

The following presents net OPEB liability as of June 30, 2025, calculated using a trend rate of 1% higher, as well as what the County’s net OPEB liability would be if it were calculated using a trend rate that is 1% lower than the current rate:

	1% Decrease (Trend -1%)	Current Trend Rate ⁽¹⁾	1% Increase (Trend +1%)
Governmental Activities	\$ 85,113	\$ 90,420	\$ 96,174
Business-Type Activities	1,594	1,683	1,779
Total Primary Government	86,707	92,103	97,953
Discrete Component Units	8,321	8,840	9,403
Total	\$ 95,028	\$ 100,943	\$ 107,356

(k) Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2025 the County recognized OPEB expense of \$4,179. The discrete component units recognized OPEB expense of \$432. At June 30, 2025, the County and its component units reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 290	\$ (8,072)
Changes in assumptions	15,316	(2,235)
Net difference between projected and actual earnings on plan investments	-	(1,718)
Changes in proportion and differences between County contributions and proportionate share of contributions	899	(1,431)
Contributions subsequent to the measurement date	36,860	-
Total Governmental Activities	53,365	(13,456)
Business-Type Activities		
Differences between expected and actual experience	31	(123)
Changes in assumptions	224	(53)
Net difference between projected and actual earnings on plan investments	-	(18)
Changes in proportion and differences between County contributions and proportionate share of contributions	363	(320)
Contributions subsequent to the measurement date	698	-
Total Business-Type Activities	1,316	(514)
Total Primary Government	\$ 54,681	\$ (13,970)
Discrete Component Units		
Differences between expected and actual experience	\$ 28	\$ (789)
Changes in assumptions	1,497	(219)
Net difference between projected and actual earnings on plan investments	-	(168)
Changes in proportion and differences between employer contributions and proportionate share of contributions	806	(394)
Contributions subsequent to the measurement date	3,604	-
Total	\$ 5,935	\$ (1,570)

Contributions made subsequent to the measurement date are recorded as deferred outflows of resources related to OPEB and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026 and totaled \$37,558 for the County and \$3,604 for the discrete component units. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as follows:

Fiscal Year Ending June 30,	Governmental Activities ⁽¹⁾	Business- Type Activities ⁽¹⁾	Total Primary Government ⁽¹⁾	Discrete Component Units ⁽¹⁾
2026	\$ (1,707)	\$ (89)	\$ (1,796)	\$ (37)
2027	3,615	18	3,633	533
2028	843	79	922	198
2029	86	70	156	36
2030	212	26	238	31
Total	\$ 3,049	\$ 104	\$ 3,153	\$ 761

⁽¹⁾ brackets indicate negative expense

(l) OPEB Fiduciary Plan – GASB 74

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

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

Reporting Date	June 30, 2025
Valuation Date	June 30, 2025
Measurement Date	June 30, 2025

At June 1, 2025, membership consisted of the following:

Retirees, beneficiaries, and dependents currently receiving benefits	3,363
Retirees eligible but not yet receiving benefits	121
Active members eligible for OPEB	4,285
Total	7,769

(m) Net OPEB Liability

Components of the net OPEB liability as of June 30, 2025:

Total OPEB liability	\$ 256,973
Plan’s fiduciary net position	(197,143)
Net OPEB liability	\$ 59,830
Plan fiduciary net position as a percentage of the total OPEB liability	76.72%

(n) Actuarial Methods and Assumptions

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

The total OPEB liability was determined by an actuarial valuation as of June 30, 2025 with a measurement date of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Projected salary increases	3.00%
Other assumptions	Analysis of actuarial experience per the January 1, 2021 through December 31, 2023 Actuarial Experience Study dated October 17, 2024 for the Sonoma County Employees’ Retirement Association (SCERA).

(o) Investments

The following is the County's adopted asset allocation policy for OPEB as of June 2020, presented with the long-term expected real rate of return as of the June 30, 2025 measurement date:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	30.00%	5.90%
Mid Cap U.S. Equity	4.00%	5.90%
Small Cap U.S. Equity	8.00%	5.90%
International Equity	8.00%	6.69%
Global Equity	6.00%	6.69%
U.S. Core Fixed Income	31.00%	1.70%
Alternatives	8.00%	3.25%
Cash	1.00%	0.90%
Real Estate	4.00%	3.30%
Total	100.00%	

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense was 11.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the amounts actually invested.

(p) Discount Rate

The discount rate used to measure the total OPEB liability was 6.50% as of June 30 2025. The projection of cash flows used to determine the discount rate assumes employer contributions at 8.8% of future open group payroll. This rate is established annually through approval of the County's Budget. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members.

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

The following presents the net OPEB liability as of June 30, 2025 calculated using the discount rate of 6.50%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$ 81,911	\$ 59,830	\$ 40,642

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

The following present the net OPEB liability as of June 30, 2025, calculated using health care cost trend rates of +1% higher, as well as calculated using health care cost trend rates that are 1% lower than the current rates:

1% Decrease (Trend -1%)	Current Trend Rates	1% Increase (Trend +1%)
\$ 53,772	\$ 59,830	\$ 66,460

NOTE 10 – RISK MANAGEMENT

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

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

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

The County also purchases coverage from the Authority’s medical malpractice program with up to \$21,500 per event coverage and with a \$25 deductible. Funding for the purchased coverage is paid for by the beneficiary departments. The estimated liability in the internal services fund for this purpose totaled zero as of June 30, 2025.

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

The governmental and certain proprietary fund types contribute amounts to the internal service fund based on actuarially determined estimates of the ultimate settlements. Such estimates are generally based upon a 70% confidence level. Contributions for the fiscal year ended June 30, 2025, totaled \$52,787, which is recorded in the internal service fund as operating revenue. As of June 30, 2025, the estimated liability in the internal service fund totaled \$73,119 of which \$16,088 is estimated to be payable in the ensuing year. The remaining \$57,031 is classified as long-term, self-funded insurance payable in the internal service fund.

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

	Balance		Balance	
	June 30, 2024		June 30, 2025	
Unpaid claims liability at beginning of year	\$	68,296	\$	72,371
Incurred claims		28,423		21,247
Claim payments		(24,348)		(20,499)
Unpaid claims liability at end of year	\$	72,371	\$	73,119

NOTE 11 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Integrated Waste Enterprise Fund follows the provisions of GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs. This Statement applies to state and local governmental entities that are required by federal, state, or local laws or regulations to incur municipal solid waste landfill closure and postclosure care costs. Of the seven closed landfills owned by Integrated Waste, only the Annapolis and

Healdsburg sites are subject to these regulations. Under Statement No. 18, the Integrated Waste calculated the total estimated current cost of closure and postclosure care for the Healdsburg and Annapolis landfills.

As of June 30, 2025, the estimated closure and postclosure liability was \$5,034 for closed landfills Annapolis and Healdsburg. Federal and state laws require landfill operators to place a cover on their landfills when closed and to perform certain maintenance and monitoring functions for up to 30 years after closure. The estimated cost of closure and postclosure care are subject to change due to variables such as inflation, changes in the cost of materials, revisions of Federal and state laws, changes in technology and other variables. In addition to the above, state regulations require that landfill closure and post-closure maintenance costs be fully funded at the time of closure, unless a landfill owner/operator can demonstrate financial responsibility towards these activities by using other approved financial assurance alternatives. As an alternative, on July 11, 2000, the Board of Supervisors approved two resolutions establishing financial assurance for post-closure maintenance and corrective action via 30 year agreements with the California Integrated Waste Management Board (CIWMB). The Annapolis Landfill agreement provides a pledged revenue of \$36 per year and Healdsburg Landfill agreement pledged \$78 per year. Both 30 year agreements are subject to adjustments in the cost estimate mutually agreed to by the County, the CIWMB, and the Regional Water Quality Control Board.

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

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

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

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

(a) Grants and Subsidies

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

(b) Encumbrances

The County governmental funds had the following open encumbrances at June 30, 2025:

General Fund	\$	14,713
Other governmental funds		71,741
Total encumbrances for governmental funds	\$	86,454

(c) Other

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

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

NOTE 13 – SERVICE CONCESSION ARRANGEMENT

On April 23, 2013, the County entered into a Master Operations Agreement (MOA) with Republic Services, Inc. for the operation of the Central landfill and County transfer stations. The MOA between the County and Republic Services went into effect on April 1, 2015, and meets the criteria under GASB Statement No. 94 (GASB 94), ‘Public-Private and Public-Public Partnerships and Availability Payment Arrangements’ of a Service Concession Arrangement (SCA). The MOA grants Republic Services the ability to extend the agreement until the landfill is closed which is currently estimated at between 30 and 35 years. As consideration for the County granting Republic Services an exclusive right and concession to operate the County facilities for the Committed Waste Period, Republic Services has agreed to pay the County a quarterly County Concession Payment. The quarterly payment is based on a per ton charge on all waste that is received except for beneficial reuse material, special waste and residuals or waste delivered to the County facilities from any other processing or transfer facility in Sonoma County. The County Concession Payment shall be increased annually by the amount of the Consumer Price Index. Payments to the County under this agreement were \$5,788 during the fiscal year ended June 30, 2025.

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

Additionally, the MOA calls for Republic to assume the closure/post-closure liability in perpetuity for the Central landfill as of April 1, 2015 and to provide financial assurances mechanisms to demonstrate, fund, and maintain financial responsibility for the Central landfill as required by law including closure, post-closure, corrective action and operating liability acceptable to the California Department of Resources Recycling Recovery (CalRecycle). As a result, Integrated Waste recognized a closure/post-closure liability decrease in the amount of \$42,057 and recorded a deferred inflow of \$41,710 as of June 30, 2015. The deferred inflow is being amortized over the estimated 30 year term of the MOA, and as a result, Integrated Waste recognized service concession arrangement revenues in the amount of \$1,390 for the fiscal year ended June 30, 2025. As part of the SCA, capital assets (equipment) with a net book value of \$278 were transferred to Republic Services, Inc.

The deferred inflows of resources activity is as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Deferred Inflows of Resources				
Central Landfill and County Transfer Stations	\$ 29,197	\$ -	\$ (1,390)	\$ 27,807

Integrated Waste retained certain capital assets related to the SCA. The assets carrying value, net of accumulated depreciation at June 30, 2025 is as follows:

Central Landfill and County Transfer Stations:

Land	\$	2,538
Buildings and improvements		8,768
Intangibles		497
Equipment		153
SCA capital assets, net	\$	11,956

NOTE 14 – SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND

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

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

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	One Year
Redevelopment Successor Agency Tax allocation bonds payable*	\$ 6,855	\$ -	\$ (485)	\$ 6,370	\$ 505

* excludes bond premium amortization

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

The 2016 Bonds were issued in the amount of \$10,140 with interest rates from 2.0% to 5.0%, maturing on August 1, 2034. The 2016 Bonds are limited obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal and interest from, tax revenues which are deposited in the Redevelopment Property Tax Trust Fund and the Redevelopment Obligation Retirement Fund. The 2016 Bonds are not a debt of the County of Sonoma. Unamortized bond premium at June 30, 2025 is \$754.

The annual principal and interest requirements on the long-term bonds outstanding at June 30, 2025, are as follows:

Year ending June 30:	Principal	Interest	Total
2026	\$ 505	\$ 269	\$ 774
2027	535	243	778
2028	565	215	780
2029	590	186	776
2030	620	156	776
2031-2035	3,555	328	3,883
Total	\$ 6,370	\$ 1,397	\$ 7,767

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

Fund balances at June 30, 2025 were classified as follows:

	General	Human Services Special Revenue	Health and Sanitation Special Revenue	Open Space Special Tax Account Special Revenue	Capital Projects Fund	Other Funds	Total
Nonspendable:							
Inventories	\$ 103	\$ -	\$ -	\$ -	\$ -	\$ 755	\$ 858
Prepaid items and deposits	8,056	4,696	205	-	-	307	13,264
Advances	114	-	-	-	-	-	114
Total nonspendable fund balances	8,273	4,696	205	-	-	1,062	14,236
Restricted:							
Agricultural Preservation and Open Space District	-	-	-	65,835	-	-	65,835
Capital projects and equipment replacement	-	-	-	-	-	42,874	42,874
Debt service	-	-	-	-	-	4,510	4,510
Park donations, mitigations and operations	-	-	-	-	-	10,387	10,387
Courthouse/Criminal justice construction	-	-	-	-	-	3,126	3,126
Health services programs	-	-	220,534	-	-	30,955	251,489
Fire and emergency services	-	-	-	-	-	2,789	2,789
Public assistance	-	32,972	-	-	-	27,299	60,271
Lighting districts	-	-	-	-	-	13,922	13,922
Public protection	-	-	1,462	-	-	89,747	91,209
Clerk, recorder, assessor operations	-	-	-	-	-	3,622	3,622
Other programs	1,539	-	-	-	-	5,603	7,142
Total restricted fund balances	1,539	32,972	221,996	65,835	-	234,834	557,176
Committed:							
Road activities	-	-	-	-	-	3,862	3,862
Community Investment	-	-	-	-	-	14,168	14,168
Other programs	357	-	-	-	-	27,382	27,739
Total committed fund balances	357	-	-	-	-	45,412	45,769
Assigned:							
Capital projects and equipment replacement	13,207	-	-	-	173,727	4,164	191,098
Reserved purposes fund	60,041	-	-	-	-	-	60,041
Tribal development impact mitigation	49,790	-	-	-	-	-	49,790
Fire settlement projects	16,921	-	-	-	-	-	16,921
Public protection	25,359	-	-	-	-	3	25,362
Employee health contributions	12,122	-	-	-	-	-	12,122
FEMA audit reserve	13,015	-	-	-	-	-	13,015
Redevelopment agencies	7,312	-	-	-	-	-	7,312
General services	21,166	-	-	-	-	-	21,166
Disaster Fund	21,267	-	-	-	-	-	21,267
Economic Uncertainty Reserve	16,841	-	-	-	-	-	16,841
Other programs	29,523	-	-	-	-	-	29,523
Total assigned fund balances	286,564	-	-	-	173,727	4,167	464,458
Unassigned	78,167	-	-	-	-	-	78,167
Total fund balances	\$ 374,900	\$ 37,668	\$ 222,201	\$ 65,835	\$ 173,727	\$ 285,475	\$ 1,159,806

(b) Retained Deficits

Internal Service Funds

The County's Employee Retirement Internal Service Fund has a retained deficit of \$233,218 at June 30, 2025. This fund is used to account for the County's pension related activities and includes the pension obligation bonds as well as the net pension liability and/or asset. The County funds contributions to the pension plan and debt service payments for the pension obligation bonds with charges collected from departments through bi-weekly payroll. Collections from departments are sufficient to cover the annual contributions to the pension plan and debt service payments but are not intended to build an asset balance in this fund. Consequently, this fund is expected to have a retained deficit until the pension obligation bonds are repaid and the pension plan is fully funded.

The County's Other Postemployment Benefits (OPEB) Internal Service Fund has a retained deficit of \$45,469 at June 30, 2025. This fund is used to account for the County's other postemployment benefit related activities and includes the net OPEB liability. The County funds contributions to OPEB with charges collected from departments through bi-weekly payroll, sufficient to cover the annual contributions to OPEB costs and contribute to the PARS OPEB trust to fund future OPEB payments. This fund is expected to have a retained deficit until the OPEB obligation is fully funded.

Private Purpose Trust Fund

The Private Purpose Trust Fund has a retained deficit of \$12,127 at June 30, 2025. This deficit is primarily due to the August 2020 assumption of Palm Drive Health Care District. At June 30, 2025, the District has \$10.1 million in debt service obligations which will be paid off over the next 9 years and an additional \$1.1 million in bankruptcy debt. This fund is expected to have a retained deficit until the debt and bankruptcy obligations are settled.

NOTE 16 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

(a) Change in Accounting Principle

As of June 30, 2025, the County adopted GASB No. 101, *Compensated Absences*. The provisions of this standard updated the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absences liability. The effects of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

(b) Changes in Fund Presentation as Major or Nonmajor

Due to increased funding for current and upcoming construction projects (county-wide energy resiliency projects, County Center modernization, and County morgue construction), the Capital Projects Fund met the quantitative threshold for reporting as a major governmental fund as of June 30, 2025. This fund was previously reported as a nonmajor governmental fund.

The County also determined that the Transit Fund no longer met the quantitative threshold for reporting as a major enterprise fund; therefore, it is presented as a nonmajor enterprise fund.

The effects of these changes within the financial reporting entity are summarized below in the "Adjustments - Changes in fund presentation as major or nonmajor" column in the following table.

	Net position/ fund balance at June 30, 2024, as previously reported	Restatement - GASB 101 implementation	Adjustments - Changes in fund presentation as major or nonmajor	Net position/ fund balance at June 30, 2024, as restated/ adjusted
Government-wide				
Governmental activities	\$ 2,169,492	\$ (40,352)	\$ -	\$ 2,129,140
Business activities	239,210	(591)	-	238,619
Total government-wide	\$ 2,408,702	\$ (40,943)	\$ -	\$ 2,367,759
Governmental funds				
Major funds:				
General funds	\$ 349,295	\$ -	\$ -	\$ 349,295
Human Services Special Revenue	46,552	-	-	46,552
Health and Sanitation Special Revenue	192,131	-	-	192,131
Open Space Special Tax Account Special Revenue	69,469	-	-	69,469
Capital Projects Funds	-	-	119,245	119,245
Nonmajor funds	381,613	-	(119,245)	262,368
Total government-wide	\$ 1,039,060	\$ -	\$ -	\$ 1,039,060
Enterprise funds				
Major funds:				
Integrated Waste	\$ 49,852	\$ (156)	\$ -	\$ 49,696
Airport	135,216	(202)	-	135,014
Energy Independence Program	1,345	-	-	1,345
Transit	24,571	-	(24,571)	-
Nonmajor funds	28,226	(233)	24,571	52,564
Total enterprise funds	\$ 239,210	\$ (591)	\$ -	\$ 238,619
Internal service funds	\$ (327,363)	\$ (521)	\$ -	\$ (327,884)
Discrete component units				
Sonoma Water	\$ 429,441	\$ (4,613)	\$ -	\$ 424,828
Community Development Commission	184,761	(303)	-	184,458
Nonmajor component units	169,608	-	-	169,608
Total discrete component units	\$ 783,810	\$ (4,916)	\$ -	\$ 778,894

Required Supplementary Information (Unaudited)



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

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Reporting Date	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Proportion of net pension liability (asset)	83.03%	83.98%	84.09%	101.35%	81.59%	82.74%	84.64%	80.73%	84.27%	84.43%
Proportionate share of net pension liability (asset)	\$ 139,119	\$ 209,171	\$ 347,412	\$ (62,139)	\$ 155,616	\$ 187,359	\$ 418,350	\$ 136,291	\$ 330,831	\$ 348,556
Covered payroll	\$ 421,142	\$ 360,858	\$ 338,949	\$ 332,953	\$ 323,263	\$ 295,896	\$ 300,515	\$ 300,546	\$ 285,864	\$ 271,061
Proportionate share of net pension liability (asset) as a percentage of covered payroll	33.03%	57.96%	102.50%	(18.66%)	48.14%	63.32%	139.21%	45.35%	115.73%	128.59%
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.73%	93.32%	88.47%	101.77%	94.16%	92.80%	83.91%	94.21%	86.02%	84.68%

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

Reporting Date	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Actuarially determined contributions	\$ 85,748	\$ 70,804	\$ 63,329	\$ 62,733	\$ 69,858	\$ 55,829	\$ 57,797	\$ 55,480	\$ 52,981	\$ 56,663
Contributions in relation to the actuarially determined contribution	90,153	75,398	65,227	68,329	71,669	62,551	57,797	55,480	52,981	60,216
Contribution deficiency (excess)	\$ (4,405)	\$ (4,594)	\$ (1,898)	\$ (5,596)	\$ (1,811)	\$ (6,722)	\$ -	\$ -	\$ -	\$ (3,553)
Covered payroll	\$ 422,004	\$ 386,675	\$ 344,005	\$ 336,023	\$ 329,911	\$ 313,806	\$ 307,543	\$ 302,281	\$ 293,871	\$ 288,885
Contributions as a percentage of covered payroll	21.36%	19.50%	18.96%	20.33%	21.72%	19.93%	18.79%	18.35%	18.03%	20.84%

Notes:

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

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

Measurement Date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Reporting Date	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total OPEB liability	\$ 256,973	\$ 259,534	\$ 263,774	\$ 260,800	\$ 266,008	\$ 279,215	\$ 303,941	\$ 308,205	\$ 385,583
Plan's fiduciary net position	197,143	158,175	123,833	98,986	101,553	73,882	66,060	57,860	49,743
Net OPEB liability	\$ 59,830	\$ 101,359	\$ 139,941	\$ 161,814	\$ 164,455	\$ 205,333	\$ 237,881	\$ 250,345	\$ 335,840
Plan fiduciary net position as a percentage of the total OPEB liability	76.72%	60.95%	46.95%	37.95%	38.18%	26.46%	21.73%	18.77%	12.90%
Covered payroll	\$ 470,297	\$ 427,721	\$ 381,937	\$ 369,909	\$ 364,433	\$ 334,716	\$ 327,816	\$ 330,039	\$ 321,401
Plan net OPEB liability as a percentage of covered payroll	12.72%	23.70%	36.64%	43.74%	45.13%	61.35%	72.57%	75.85%	104.49%

Schedule of OPEB Plan Investment Returns
Last Ten Fiscal Years *

Measurement Date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Reporting Date	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.33%	12.97%	8.80%	(12.84%)	26.86%	3.69%	7.61%	7.45%	11.47%

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

Measurement Date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Reporting Date	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Actuarially determined contributions	\$ 11,150	\$ 12,759	\$ 13,687	\$ 13,602	\$ 15,787	\$ 17,532	\$ 18,206	\$ 18,938	\$ 21,653
Contributions in relation to the actuarially determined contributions	44,984	42,146	45,672	39,792	30,507	27,612	26,193	26,768	27,699
Contribution deficiency (excess)	\$ (33,834)	\$ (29,387)	\$ (31,985)	\$ (26,190)	\$ (14,720)	\$ (10,080)	\$ (7,987)	\$ (7,830)	\$ (6,046)
Covered payroll	\$ 470,297	\$ 427,721	\$ 381,937	\$ 369,909	\$ 364,433	\$ 334,716	\$ 327,816	\$ 330,039	\$ 321,401
Contributions as a percentage of covered employee payroll	9.57%	9.85%	11.96%	10.76%	8.37%	8.25%	7.99%	8.11%	8.62%

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

Notes:

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

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

Measurement Date Reporting Date	6/30/2025 FY 2025	6/30/2024 FY 2024	6/30/2023 FY 2023	6/30/2022 FY 2022	6/30/2021 FY 2021	6/30/2020 FY 2020	6/30/2019 FY 2019	6/30/2018 FY 2018	6/30/2017 FY 2017
Total OPEB Liability									
Service Cost	\$ 4,344	\$ 4,184	\$ 4,045	\$ 4,294	\$ 4,462	\$ 5,148	\$ 5,468	\$ 10,852	\$ 13,800
Interest	16,400	16,665	16,279	16,640	17,722	19,375	19,667	14,566	12,579
Changes of benefit terms	-	(3,760)	(915)	-	-	-	(245)	-	-
Differences between expected and actual experience	(4,816)	(7,525)	320	262	(6,270)	(17,044)	(557)	3,210	(1,547)
Change due to reflecting the excise tax	-	-	-	-	-	-	-	-	2,351
Changes of assumptions	5,023	9,705	12,490	2,650	(6,715)	(10,194)	(6,404)	(83,838)	(28,454)
Benefit payments	(23,512)	(23,509)	(29,247)	(29,056)	(22,406)	(22,011)	(22,193)	(22,168)	(23,529)
Net change in total OPEB Liability	(2,561)	(4,240)	2,973	(5,208)	(13,207)	(24,726)	(4,264)	(77,378)	(24,800)
Total OPEB liability - beginning of year	259,534	263,774	260,800	266,008	279,215	303,941	308,205	385,583	410,383
Total OPEB liability - end of year (a)	\$ 256,973	\$ 259,534	\$ 263,774	\$ 260,800	\$ 266,008	\$ 279,215	\$ 303,941	\$ 308,205	\$ 385,583
Plan fiduciary net position									
Contributions – PARS	\$ 21,472	\$ 18,637	\$ 16,425	\$ 10,735	\$ 8,101	\$ 5,600	\$ 4,000	\$ 4,600	\$ 3,000
Contributions – Premiums net of retiree contributions	22,256	22,090	27,785	27,701	21,121	20,870	20,960	21,031	22,377
Contributions – Administrative	1,256	1,419	1,462	1,354	1,285	1,142	1,233	1,137	1,152
Contributions – Legal	-	-	-	-	-	-	-	-	217
Contributions – Total employer	44,984	42,146	45,672	39,790	30,507	27,612	26,193	26,768	26,746
Net investment income (loss)	17,903	16,038	8,700	(13,024)	19,815	2,435	4,395	3,699	4,817
Benefit payments – Premiums	(23,512)	(23,509)	(29,247)	(29,056)	(22,406)	(22,012)	(22,193)	(22,168)	(23,530)
Legal expense	-	-	-	-	-	-	-	-	(217)
Administrative expense	(407)	(333)	(278)	(277)	(245)	(213)	(195)	(182)	(153)
Net change in plan fiduciary net position	38,968	34,342	24,847	(2,567)	27,671	7,822	8,200	8,117	7,663
Plan fiduciary net position - beginning of year	158,175	123,833	98,986	101,553	73,882	66,060	57,860	49,743	42,080
Plan fiduciary net position - end of year (b)	197,143	158,175	123,833	98,986	101,553	73,882	66,060	57,860	49,743
County net OPEB liability, ending (a-b)	\$ 59,830	\$ 101,359	\$ 139,941	\$ 161,814	\$ 164,455	\$ 205,333	\$ 237,881	\$ 250,345	\$ 335,840

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



Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Revenues:				
Taxes	\$ 387,894	\$ 396,114	\$ 403,780	\$ 7,666
License, permit, and franchise fees	24,127	24,127	24,495	368
Fines, forfeitures and penalties	17,484	17,484	16,647	(837)
Use of money and property	7,989	7,989	24,965	16,976
Intergovernmental	137,256	166,625	174,335	7,710
Charges for services	59,196	59,660	57,473	(2,187)
Other	4,510	5,672	9,140	3,468
Total revenues	638,456	677,671	710,835	33,164
Expenditures:				
General government				
Board of Supervisors / County Executive				
County Executive	14,976	15,584	12,952	2,632
Board of Supervisors	8,213	8,848	8,269	579
Disaster Recovery and Resiliency	-	2	2	-
Auditor-Controller-Treasurer-Tax Collector	22,014	21,979	21,263	716
Recorder-Assessor				
Assessor	15,449	16,663	16,003	660
Registrar of Voters	8,271	8,149	7,459	690
County Counsel	14,795	14,795	14,559	236
Human Resources	17,085	17,100	15,491	1,609
Sonoma Public Infrastructure				
Administration	1,988	1,415	1,380	35
Facilities Development	19,186	17,288	16,732	556
Special Funds	123	243	223	20
Support Services	19,687	20,464	18,924	1,540
Economic Development Board	2,909	2,950	1,132	1,818
The Office of Equity	3,341	3,852	2,778	1,074
Information Systems	54,665	51,456	43,572	7,884
Disaster Recovery Division	505	15,383	13,891	1,492
Other general government	30,520	34,326	25,972	8,354
Total general government	233,727	250,497	220,602	29,895
Public protection				
Disaster Recovery	68	68	7	61
District Attorney	36,066	36,153	34,824	1,329
Public Defender	18,470	18,666	18,629	37
Court Support and Grand Jury	11,778	11,778	11,697	81
Probation	77,482	77,448	73,210	4,238
Permit & Resource Management				
Permit Sonoma	48,945	52,437	48,212	4,225
Resiliency Permit Center	349	349	321	28
Fire Prevention	605	605	591	14
Sheriff				
Law Enforcement	131,259	136,667	130,804	5,863
Detention	93,983	93,528	93,328	200
Agriculture / Weights & Measures	8,441	8,128	8,117	11
County Clerk Operations	1,046	1,046	948	98
Emergency Management	6,842	8,411	7,373	1,038
Fire Services	10,557	10,557	10,316	241

Budgetary Comparison Schedule (continued)
General Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Independent Office of Law Enforcement				
Review and Outreach	2,408	2,839	2,809	30
Total public protection	448,299	458,680	441,186	17,494
Public ways and facilities				
Sonoma Public Infrastructure	3,016	7,354	6,730	624
Total public ways and facilities	3,016	7,354	6,730	624
Public assistance				
Health and sanitation	7,568	7,583	6,954	629
Human Services	283	473	458	15
Total public assistance	7,851	8,056	7,412	644
Education				
U.C. Cooperative Extension	1,396	1,419	1,366	53
Total education	1,396	1,419	1,366	53
Recreation and cultural services				
Regional Parks	37,931	39,327	39,279	48
Sonoma Public Infrastructure - Veterans Buildings	1,530	1,427	1,371	56
Total recreation and cultural services	39,461	40,754	40,650	104
Expenditures subtotal	733,750	766,760	717,946	48,814
Capital outlay	6,759	37,435	33,861	3,574
Debt service				
Principal	2,603	8,284	8,284	-
Interest and other	305	1,744	1,744	-
Reimbursements	(162,448)	(168,260)	(149,367)	(18,893)
Total expenditures	580,969	645,963	612,468	33,495
Excess (deficiency) of revenues over (under) expenditures	57,487	31,708	98,367	66,659
Other financing sources (uses):				
Transfers in	105,201	140,316	122,955	(17,361)
Transfers out	(187,502)	(279,561)	(258,492)	21,069
Lease Inception	-	15,527	15,527	-
Issuance of long-term debt	-	28,952	29,594	642
Sale of capital assets	603	487	571	84
Other financing uses	(39,121)	(26,409)	-	26,409
SBITA inception	-	2,421	2,370	(51)
Total other financing sources (uses)	(120,819)	(118,267)	(87,475)	30,792
Special item	1,673	1,673	-	(1,673)
Net change in fund balances	\$ (61,659)	\$ (84,886)	10,892	\$ 95,778
GAAP basis difference - encumbrances			14,713	
Fund balance, beginning of year			349,295	
Fund balance, end of year			\$ 374,900	

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

Budgetary Comparison Schedule
Human Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts (Budgetary Basis)		
Revenues:					
License, permit, and franchise fees	\$ 100	\$ 100	\$ 60	\$	(40)
Fines, forfeitures and penalties	-	-	39		39
Use of money and property	263	263	1,865		1,602
Intergovernmental	243,963	249,927	230,412		(19,515)
Charges for services	1,605	1,605	1,703		98
Other	2,029	3,240	4,695		1,455
Total revenues	247,960	255,135	238,774		(16,361)
Expenditures:					
Public assistance					
Human Services					
Program Administration	321,020	323,759	314,139		9,620
Special Revenue	53,365	58,745	54,326		4,419
Total public assistance	374,385	382,504	368,465		14,039
Capital outlay	487	1,151	847		304
Debt service					
Principal	-	5,193	5,249		(56)
Interest and other	-	467	467		-
Reimbursements	(91,614)	(96,862)	(96,574)		(288)
Total expenditures	283,258	292,453	278,454		13,999
Excess (deficiency) of revenues over (under) expenditures	(35,298)	(37,318)	(39,680)		(2,362)
Other financing sources (uses):					
Transfers in	32,102	32,982	32,239		(743)
Transfers out	(2,402)	(2,402)	(1,814)		588
Sale of capital assets	-	-	3		3
SBITA inception	-	-	164		164
Total other financing sources (uses)	29,700	30,580	30,592		12
Net change in fund balances	\$ (5,598)	\$ (6,738)	(9,088)	\$	(2,350)
GAAP basis difference - encumbrances			204		
Fund balance, beginning of year			46,552		
Fund balance, end of year			\$ 37,668		

Budgetary Comparison Schedule
Health and Sanitation Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts			Actual Amount (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final			
Revenues:					
Taxes	\$ 32,232	\$ 32,232	\$ 30,530	\$ (1,702)	
License, permit, and franchise fees	7,876	7,876	7,967	91	
Fines, forfeitures and penalties	576	576	704	128	
Use of money and property	405	405	10,734	10,329	
Intergovernmental	163,216	176,927	201,029	24,102	
Charges for services	3,725	3,806	4,456	650	
Other	(570)	(570)	32,870	33,440	
Total revenues	207,460	221,252	288,290	67,038	
Expenditures:					
Public protection					
Health Services - Animal Services	307	307	-	307	
Total public protection	307	307	-	307	
Health and sanitation					
Health Services					
Administration	35,464	36,848	33,279	3,569	
Behavioral Health	190,771	208,806	191,333	17,473	
Public Health	92,793	99,653	86,011	13,642	
Special Revenue	131,585	148,773	112,105	36,668	
Total health and sanitation	450,613	494,080	422,728	71,352	
Capital outlay	34	908	774	134	
Debt service					
Principal	396	4,056	3,220	836	
Interest and other	200	1,290	864	426	
Reimbursements	(208,363)	(226,048)	(151,891)	(74,157)	
Total expenditures	243,187	274,593	275,695	(1,102)	
Excess (deficiency) of revenues over (under) expenditures	(35,727)	(53,341)	12,595	65,936	
Other financing sources (uses):					
Transfers in	18,252	23,165	21,382	(1,783)	
Transfers out	(20,418)	(22,562)	(4,805)	17,757	
Lease Inception	-	642	642	-	
Total other financing sources (uses)	(2,166)	1,245	17,219	15,974	
Net change in fund balances	\$ (37,893)	\$ (52,096)	29,814	\$ 81,910	
GAAP basis difference - encumbrances			256		
Fund balance, beginning of year			192,131		
Fund balance, end of year			\$ 222,201		

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

Budgetary Comparison Schedule

Open Space Special Tax Account Special Revenue Fund

For the Fiscal Year Ended June 30, 2025

(Dollars in Thousands)

	Budgeted Amounts			Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final			
Revenues:					
Taxes	\$ 32,391	\$ 32,391	\$ 31,601	\$ (790)	
Use of money and property	-	-	3,492	3,492	
Total revenues	32,391	32,391	35,093	2,702	
Expenditures:					
Recreation and cultural services	61,423	61,423	38,727	22,696	
Total expenditures	61,423	61,423	38,727	22,696	
Excess (deficiency) of revenues over (under) expenditures	(29,032)	(29,032)	(3,634)	25,398	
Other financing sources (uses):					
Net change in fund balances	\$ (29,032)	\$ (29,032)	(3,634)	\$ 25,398	
Fund balance, beginning of year			69,469		
Fund balance, end of year			\$ 65,835		

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

Budgetary Comparison Schedule
Capital Projects Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative) ⁽¹⁾
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ 2	\$ 5,495	\$ 5,493
Intergovernmental	65,294	65,323	2,803	(62,520)
Other	11,666	11,518	1,273	(10,245)
Total revenues	76,960	76,843	9,571	(67,272)
Expenditures:				
General government				
Administration Center	758	1,964	1,065	899
Hall of Justice	116	105	30	75
Main Adult Detention Facility	158	158	1	157
Memorial Buildings	165	214	-	214
Misc. Capital Projects	1,751	6,181	215	5,966
Total general government	2,948	8,622	1,311	7,311
Capital outlay	178,328	211,821	95,191	116,630
Reimbursements	(154)	(147)	-	(147)
Total expenditures	181,122	220,296	96,502	123,794
Excess (deficiency) of revenues over (under) expenditures	(104,162)	(143,453)	(86,931)	56,522
Other financing sources (uses):				
Transfers in	69,003	119,060	85,100	(33,960)
Transfers out	(5,430)	(6,769)	(4,701)	2,068
Total other financing sources (uses)	63,573	112,291	80,399	(31,892)
Net change in fund balances	\$ (40,589)	\$ (31,162)	(6,532)	\$ 24,630
GAAP basis difference - encumbrances			61,014	
Fund balance, beginning of year			119,245	
Fund balance, end of year			\$ 173,727	

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

Notes to Required Supplementary Information

June 30, 2025

NOTE 1 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

(a) Change of Assumptions

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

(b) Actuarial Methods and Assumptions

The methods and assumptions used to establish the actuarially determined contribution (ADC) though June 30, 2025 are noted below:

Valuation date	Actuarially determined contributions are based on the beginning of the applicable period
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll for total unfunded actuarial accrued liability
Remaining amortization period	22 years as of June 30, 2024
Asset valuation method	Fair value of assets
Actuarial assumptions	
Discount rate	6.50% net of OPEB plan investment expense, including inflation
Payroll growth	3.00%
Other assumptions	Same as those used in the June 30, 2024 GAS 74 actuarial valuation dated October 30, 2024

NOTE 2 – BUDGETARY AND LEGAL COMPLIANCE

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

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

For the year ended June 30, 2025, no instances existed in which expenditures exceeded appropriations. Negative expenditure variances shown on budgetary comparison schedules are due to timing of budgeted vs actual reimbursements.

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

Other Supplementary Information





NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

COMMUNITY INVESTMENT

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

AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT

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

ROADS SPECIAL REVENUE

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

MANDATED REVENUE

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

2011 REALIGNMENT

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

SPECIAL DISTRICTS

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

DEBT SERVICE FUND

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

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025
(Dollars in Thousands)

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total
ASSETS				
Assets:				
Cash and investments	\$ 260,385	\$ -	\$ -	\$ 260,385
Cash and investments with trustee	-	-	4,520	4,520
Receivables, net				
Accounts receivable	21,889	-	-	21,889
Interest receivable	2	-	-	2
Due from other funds	23,648	-	-	23,648
Inventories	755	-	-	755
Due from other governments	33,484	-	-	33,484
Lease receivables	980	-	-	980
Prepaid expenses and deposits	307	-	-	307
Total assets	\$ 341,450	\$ -	\$ 4,520	\$ 345,970
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued salaries and benefits	\$ 35,154	\$ -	\$ -	\$ 35,154
Due to other funds	7,516	-	10	7,526
Due to other governments	1,635	-	-	1,635
Advances from grantors and third parties	12,931	-	-	12,931
Deposits from others	8	-	-	8
Other liabilities	1,956	-	-	1,956
Total liabilities	59,200	-	10	59,210
Deferred inflows of resources:				
Deferred amounts related to leases	903	-	-	903
Unavailable revenue	382	-	-	382
Total deferred inflows of resources	1,285	-	-	1,285
Fund balances:				
Nonspendable	1,062	-	-	1,062
Restricted	230,324	-	4,510	234,834
Committed	45,412	-	-	45,412
Assigned	4,167	-	-	4,167
Total fund balances	280,965	-	4,510	285,475
Total liabilities, deferred inflows of resources, and fund balances	\$ 341,450	\$ -	\$ 4,520	\$ 345,970

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total
Revenues:				
Taxes	\$ 91,776		\$ -	\$ 91,776
License, permit, and franchise fees	3,864		-	3,864
Fines, forfeitures and penalties	4,410		-	4,410
Use of money and property	14,452		207	14,659
Intergovernmental	177,695		-	177,695
Charges for services	5,147		-	5,147
Other	24,131		4,035	28,166
Total revenues	321,475	-	4,242	325,717
Expenditures:				
Current:				
General government	9,945		50	9,995
Public protection	115,022		-	115,022
Public ways and facilities	43,801		-	43,801
Health and sanitation	13,077		-	13,077
Public assistance	44,922		-	44,922
Recreation and cultural services	18,744		-	18,744
Capital outlay	107,758		-	107,758
Debt service:				
Principal	912		2,585	3,497
Interest and other	499		1,676	2,175
Total expenditures	354,680		4,311	358,991
Excess (deficiency) of revenues over (under) expenditures	(33,205)		(69)	(33,274)
Other financing sources (uses):				
Transfers in	79,504		-	79,504
Transfers out	(26,686)		-	(26,686)
Lease inception	2,509		-	2,509
SBITA inception	1,034		-	1,034
Sale of capital assets	20		-	20
Total other financing sources (uses)	56,381		-	56,381
Net change in fund balance	23,176		(69)	23,107
Fund balance, beginning of year, as previously presented	257,789	119,245	4,579	381,613
Adjustments	-	(119,245)	-	(119,245)
Fund balance, beginning of year, as adjusted	257,789	-	4,579	262,368
Fund balance, end of year	\$ 280,965	\$ -	\$ 4,510	\$ 285,475

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2025
(Dollars in Thousands)

	Community Investment	Agricultural Preservation and Open Space District	Roads Special Revenue	Mandated Revenue	2011 Realignment	Special Districts	Total
ASSETS							
Assets:							
Cash and investments	\$ 11,038	\$ 30,728	\$ 18,614	\$ 84,861	\$ 83,371	\$ 31,773	\$ 260,385
Receivables, net							
Accounts receivable	4,507	-	1,399	356	-	15,627	21,889
Interest receivable	-	-	-	2	-	-	2
Due from other funds	-	-	1,188	-	22,460	-	23,648
Inventories	-	-	725	-	-	30	755
Due from other governments	18	714	14,280	853	14,939	2,680	33,484
Lease receivables	-	-	-	980	-	-	980
Prepaid items and deposits	36	22	50	154	-	45	307
Total assets	\$ 15,599	\$ 31,464	\$ 36,256	\$ 87,206	\$ 120,770	\$ 50,155	\$ 341,450
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued salaries and benefits	\$ 1,144	\$ 684	\$ 9,291	\$ 371	\$ 1	\$ 23,663	\$ 35,154
Due to other funds	-	-	-	1,217	6,299	-	7,516
Due to other governments	-	-	17	356	1,184	78	1,635
Advances from grantors and third parties	63	-	-	12,805	-	63	12,931
Deposits from others	-	-	-	8	-	-	8
Other liabilities	-	-	1,943	-	-	13	1,956
Total liabilities	1,207	684	11,251	14,757	7,484	23,817	59,200
Deferred inflows of resources:							
Deferred amounts related to leases	-	-	-	903	-	-	903
Unavailable revenue	188	48	146	-	-	-	382
Total deferred inflows of resources	188	48	146	903	-	-	1,285
Fund balances:							
Nonspendable	36	22	775	154	-	75	1,062
Restricted	-	3,328	16,058	71,389	113,286	26,263	230,324
Committed	14,168	27,382	3,862	-	-	-	45,412
Assigned	-	-	4,164	3	-	-	4,167
Total fund balances	14,204	30,732	24,859	71,546	113,286	26,338	280,965
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,599	\$ 31,464	\$ 36,256	\$ 87,206	\$ 120,770	\$ 50,155	\$ 341,450

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Community Investment	Agricultural Preservation and Open Space District	Roads Special Revenue	Mandated Revenue	2011 Realignment	Special Districts	Total
Revenues:							
Taxes	\$ 22,555	\$ -	\$ -	\$ -	\$ -	\$ 69,221	\$ 91,776
License, permit, and franchise fees	-	-	1,426	2,438	-	-	3,864
Fines, forfeitures and penalties	-	-	246	4,164	-	-	4,410
Use of money and property	948	-	1,398	4,381	6,056	1,669	14,452
Intergovernmental	79	944	67,200	18,260	89,042	2,170	177,695
Charges for services	-	-	1,292	2,771	10	1,074	5,147
Other	938	18,306	270	486	3,861	270	24,131
Total revenues	24,520	19,250	71,832	32,500	98,969	74,404	321,475
Expenditures:							
Current:							
General government	9,775	-	-	170	-	-	9,945
Public protection	-	-	-	25,047	42,784	47,191	115,022
Public ways and facilities	-	-	42,815	-	-	986	43,801
Health and sanitation	-	-	-	-	13,077	-	13,077
Public assistance	-	-	-	-	36,153	8,769	44,922
Recreation and cultural services	-	11,395	-	2,025	-	5,324	18,744
Capital outlay	884	39,054	65,643	1,067	-	1,110	107,758
Debt service:							
Principal	114	204	-	584	-	10	912
Interest and other	13	38	386	61	-	1	499
Total expenditures	10,786	50,691	108,844	28,954	92,014	63,391	354,680
Excess (deficiency) of revenues over (under) expenditures	13,734	(31,441)	(37,012)	3,546	6,955	11,013	(33,205)
Other financing sources (uses):							
Transfers in	646	38,732	35,882	3,215	-	1,029	79,504
Transfers out	(11,794)	(23)	(85)	(3,845)	(157)	(10,782)	(26,686)
Lease inception	884	1,625	-	-	-	-	2,509
SBITA inception	-	-	-	1,034	-	-	1,034
Sale of capital assets	-	20	-	-	-	-	20
Total other financing sources (uses)	(10,264)	40,354	35,797	404	(157)	(9,753)	56,381
Net change in fund balances	3,470	8,913	(1,215)	3,950	6,798	1,260	23,176
Fund balance, beginning of year	10,734	21,819	26,074	67,596	106,488	25,078	257,789
Fund balance, end of year	\$ 14,204	\$ 30,732	\$ 24,859	\$ 71,546	\$ 113,286	\$ 26,338	\$ 280,965

Budgetary Comparison Schedule
Community Investment Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 24,082	\$ 24,082	\$ 22,555	\$ (1,527)
Use of money and property	-	-	948	948
Intergovernmental	-	171	79	(92)
Other	378	241	938	697
Total revenues	24,460	24,494	24,520	26
Expenditures:				
General government				
Community Investment Fund	2,529	3,143	2,399	744
Economic Development Board	8,443	10,661	9,529	1,132
Capital outlay	-	884	884	-
Debt service:				
Principal	-	114	114	-
Interest and other	-	13	13	-
Reimbursements	(1,176)	(1,176)	(1,183)	7
Total expenditures	9,796	13,639	11,756	1,883
Excess (deficiency) of revenues over (under) expenditures	14,664	10,855	12,764	1,909
Other financing sources (uses):				
Transfers in	600	916	646	(270)
Transfers out	(12,814)	(13,316)	(11,794)	1,522
Lease inception	-	855	884	29
Total other financing sources (uses)	(12,214)	(11,545)	(10,264)	1,281
Net change in fund balances	2,450	(690)	2,500	3,190
GAAP basis difference - encumbrances			970	
Fund balance, beginning of year			10,734	
Fund balance, end of year			\$ 14,204	

Budgetary Comparison Schedule
Agricultural Preservation and Open Space District Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 245	\$ 245	\$ 1,424	\$ 1,179
Intergovernmental	71,873	71,873	39,671	(32,202)
Other	5,430	5,430	16,880	11,450
Total revenues	77,548	77,548	57,975	(19,573)
Expenditures:				
Recreation and cultural services	27,672	35,013	20,887	14,126
Capital outlay	45,800	47,518	39,147	8,371
Debt service				
Principal	-	204	204	-
Interest and other	-	38	38	-
Reimbursements	-	-	(1,222)	1,222
Total expenditures	73,472	82,773	59,054	23,719
Excess (deficiency) of revenues over (under) expenditures	4,076	(5,225)	(1,079)	4,146
Other financing sources (uses):				
Transfers in	1,361	1,540	1,236	(304)
Transfers out	(1,378)	(1,556)	(1,254)	302
Lease inception	-	1,625	1,625	-
Sale of capital assets	3,000	3,000	20	(2,980)
Total other financing sources (uses)	2,983	4,609	1,627	(2,982)
Net change in fund balances	\$ 7,059	\$ (616)	548	\$ 1,164
GAAP basis difference - encumbrances			8,365	
Fund balance, beginning of year			21,819	
Fund balance, end of year			\$ 30,732	

**Budgetary Comparison Schedule
Roads Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
License, permit, and franchise fees	\$ 1,183	\$ 1,183	\$ 1,426	\$ 243
Fines, forfeitures and penalties	317	317	246	(71)
Use of money and property	301	301	1,398	1,097
Intergovernmental	85,942	85,942	67,200	(18,742)
Charges for services	1,346	1,346	1,292	(54)
Other	150	150	270	120
Total revenues	89,239	89,239	71,832	(17,407)
Expenditures:				
Public ways and facilities				
Roads Division	55,540	63,605	60,468	3,137
Capital outlay	68,895	69,789	65,704	4,085
Debt service:				
Interest and other	-	-	386	(386)
Reimbursements	(16,245)	(14,373)	(17,505)	3,132
Total expenditures	108,190	119,021	109,053	9,968
Excess (deficiency) of revenues over (under) expenditures	(18,951)	(29,782)	(37,221)	(7,439)
Other financing sources (uses):				
Transfers in	23,318	41,513	36,737	(4,776)
Transfers out	(1,002)	(1,690)	(940)	750
Total other financing sources (uses)	22,316	39,823	35,797	(4,026)
Net change in fund balances	\$ 3,365	\$ 10,041	(1,424)	\$ (11,465)
GAAP basis difference - encumbrances			209	
Fund balance, beginning of year			26,074	
Fund balance, end of year			\$ 24,859	

Budgetary Comparison Schedule
Mandated Revenues Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
License, permit and franchise fees	\$ 3,177	\$ 3,177	\$ 2,438	\$ (739)
Fines, forfeitures and penalties	3,776	3,776	4,164	388
Use of money and property	1,120	1,120	4,381	3,261
Intergovernmental	15,074	15,559	18,260	2,701
Charges for services	2,821	2,821	2,771	(50)
Other	187	187	486	299
Total revenues	26,155	26,640	32,500	5,860
Expenditures:				
General government				
Assessor	143	143	41	102
Sonoma Public Infrastructure - Tidelands Leases	357	451	131	320
Total general government	500	594	172	422
Public protection				
Recorder	4,727	4,368	2,889	1,479
Agriculture / Weights & Measures	100	100	94	6
Child Support Services	12,060	11,664	10,455	1,209
Court Support and Grand Jury	65	65	13	52
District Attorney	4,653	4,803	3,512	1,291
Fire Prevention	2,427	2,427	2,043	384
Permit Sonoma	2,358	2,855	1,122	1,733
Public Defender	491	619	565	54
Probation	4,314	4,314	2,943	1,371
Sheriff				
Detention	7	7	6	1
Law Enforcement	3,687	3,985	1,999	1,986
Total public protection	34,889	35,207	25,641	9,566
Public ways and facilities				
Sonoma Public Infrastructure Special Projects	140	140	35	105
Special Projects	200	249	49	200
Total public ways and facilities	340	389	84	305
Recreation and cultural services:				
Regional Parks Restricted Donations	125	2,190	2,190	-
Total recreation and cultural services	125	2,190	2,190	-
Capital outlay	1,142	2,785	1,067	1,718
Debt service				
Principal	-	584	584	-
Interest and other	-	61	61	-
Reimbursements	(336)	(336)	(537)	201
Total expenditures	36,660	41,474	29,262	12,212
Excess (deficiency) of revenues over (under) expenditures	(10,505)	(14,834)	3,238	18,072
Other financing sources (uses):				
Transfers in	994	4,004	3,323	(681)
Transfers out	(10,761)	(16,893)	(3,953)	12,940
SBITA inception	-	136	1,034	898
Total other financing sources (uses)	(9,767)	(12,753)	404	13,157
Net change in fund balances	\$ (20,272)	\$ (27,587)	3,642	\$ 31,229
GAAP basis difference - encumbrances			308	
Fund balance, beginning of year			67,596	
Fund balance, end of year			\$ 71,546	

Budgetary Comparison Schedule
2011 Realignment Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,189	\$ 1,189	\$ 6,056	\$ 4,867
Intergovernmental	88,630	90,630	89,042	(1,588)
Charges for services	-	-	10	10
Other	3,431	3,431	3,861	430
Total revenues	93,250	95,250	98,969	3,719
Expenditures:				
Public protection				
District Attorney	711	711	639	72
Probation	33,727	33,839	30,132	3,707
Public Defender	420	420	386	34
Sheriff				
Law Enforcement	12,571	12,571	10,611	1,960
Detention	1,006	1,016	1,016	-
Total public protection	48,435	48,557	42,784	5,773
Health and sanitation				
Health Services - Special revenue	24,161	24,612	13,077	11,535
Total health and sanitation	24,161	24,612	13,077	11,535
Public assistance				
Human Services - Special revenue	35,094	37,094	36,153	941
Total public assistance	35,094	37,094	36,153	941
Total expenditures	107,690	110,263	92,014	18,249
Excess (deficiency) of revenues over (under) expenditures	(14,440)	(15,013)	6,955	21,968
Transfers out	(165)	(165)	(157)	8
Total other financing sources (uses)	(165)	(165)	(157)	8
Net change in fund balances	\$ (14,605)	\$ (15,178)	6,798	\$ 21,976
Fund balance, beginning of year			106,488	
Fund balance, end of year			\$ 113,286	

**Budgetary Comparison Schedule
Special Districts Special Revenue Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 12,356	\$ 72,424	\$ 69,221	\$ (3,203)
Use of money and property	127	360	1,669	1,309
Intergovernmental	3,216	3,398	2,170	(1,228)
Charges for services	1,014	1,014	1,074	60
Other	-	-	270	270
Total revenues	16,713	77,196	74,404	(2,792)
Expenditures:				
Public protection				
CSA #40 Fire Services District	187	187	34	153
Permit Sonoma Project - Fire Prevention	4,250	4,424	2,880	1,544
Rio Nido Geo Haz Abatement District	10	10	-	10
Measure H Fire Services	-	47,149	44,451	2,698
Total public protection	4,447	51,770	47,365	4,405
Public ways and facilities				
County Services Area #41				
Countywide Lighting	1,459	1,264	717	547
ALW Zone 5	10	10	-	10
Airport Business Center	59	59	-	59
Permanent Road Districts	216	483	269	214
Total public ways and facilities	1,744	1,816	986	830
Public assistance				
Measure I Child Care & Children's Health Initiative	-	7,910	7,200	710
In Home Support Services Public Authority	1,467	1,555	1,570	(15)
Total public assistance	1,467	9,465	8,770	695
Recreation and cultural services:				
CSA #41 District Parks	238	238	230	8
Measure M Parks	-	5,243	5,093	150
Total recreation and cultural services:	238	5,481	5,323	158
Capital outlay	1,970	2,240	1,351	889
Debt service:				
Principal	-	10	10	-
Interest and other	-	1	1	-
Reimbursements	49	49	-	49
Total expenditures	9,915	70,832	63,806	7,026
Excess (deficiency) of revenues over (under) expenditures	6,798	6,364	10,598	4,234
Other financing sources (uses):				
Transfers in	1,856	1,856	1,029	(827)
Transfers out	(13,828)	(15,209)	(10,782)	4,427
Total other financing sources (uses)	(11,972)	(13,353)	(9,753)	3,600
Net change in fund balances	\$ (5,174)	\$ (6,989)	845	\$ 7,834
GAAP basis difference - encumbrances			415	
Fund balance, beginning of year			25,078	
Fund balance, end of year			\$ 26,338	

Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2025
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	-	-	207	207
Other	4,489	4,489	4,035	(454)
Total revenues	4,489	4,489	4,242	(247)
Expenditures:				
General Government	100	100	50	50
Debt service:				
Principal	2,625	2,625	2,585	40
Interest and other	1,764	1,764	1,676	88
Total expenditures	4,489	4,489	4,311	178
Excess (deficiency) of revenues over (under) expenditures	-	-	(69)	(69)
Net change in fund balances	\$ -	\$ -	(69)	\$ (69)
Fund balance, beginning of year			4,579	
Fund balance, end of year			<u>\$ 4,510</u>	

NONMAJOR ENTERPRISE FUNDS

TRANSIT

This fund accounts for activities related to the provision of fixed-route transit and ADA paratransit services operating throughout Sonoma County. Operation of the system is largely funded through Transportation Development Act contributions from local governments. The route network consists of a mix of local, intercity and SMART connector routes.

FAIR

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

MARINAS

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

OTHER DISTRICTS

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

Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	Transit	Fair	Marinas	Other Districts	Total
ASSETS					
Current assets:					
Cash and investments	\$ 100	\$ 7,323	\$ 1,776	\$ 2,317	\$ 11,516
Cash and investments with trustee	-	-	13	-	13
Restricted cash and investments	-	1,399	-	-	1,399
Accounts receivable	83	198	73	36	390
Due from other funds	5	-	-	-	5
Inventories	1,113	-	66	-	1,179
Due from other governments	5,811	73	-	-	5,884
Prepaid expenses and deposits	29	-	27	-	56
Total current assets	7,141	8,993	1,955	2,353	20,442
Noncurrent assets:					
Restricted cash and investments	1,760	-	-	-	1,760
Nondepreciable	10,996	1,297	2,670	274	15,237
Depreciable, net	14,633	9,025	2,116	3,131	28,905
Total noncurrent assets	27,389	10,322	4,786	3,405	45,902
Total assets	34,530	19,315	6,741	5,758	66,344
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	147	828	103	-	1,078
Deferred amounts related to OPEB	79	610	82	-	771
Total deferred outflows of resources	226	1,438	185	-	1,849
LIABILITIES					
Current liabilities:					
Accounts payable	4,347	472	41	46	4,906
Due to other funds	-	-	-	14	14
Due to other governments	-	-	98	-	98
Advances from grantors and third parties	1,760	-	-	-	1,760
Deposits from others	-	106	183	-	289
Interest payable	-	-	-	8	8
Compensated absences	20	386	51	-	457
Advances from other governments	-	-	-	26	26
Other liabilities	477	81	178	-	736
Total current liabilities	6,604	1,045	551	94	8,294
Noncurrent portion of long-term liabilities:					
Compensated absences	89	-	19	-	108
Advances from other funds	-	-	-	14	14
Advances from other governments	-	-	-	807	807
Net pension liabilities	177	1,036	131	-	1,344
Net OPEB liabilities	122	721	97	-	940
Total noncurrent liabilities	388	1,757	247	821	3,213
Total liabilities	6,992	2,802	798	915	11,507
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	88	39	77	-	204
Deferred amounts related to OPEB	44	297	58	-	399
Total deferred inflows of resources	132	336	135	-	603
NET POSITION					
Net investment in capital assets	24,306	10,322	4,786	2,572	41,986
Restricted for junior livestock auction	-	140	-	-	140
Restricted for capital asset maintenance	-	86	-	-	86
Restricted for endowment	-	1,000	-	-	1,000
Restricted - other	-	91	-	179	270
Unrestricted	3,326	5,976	1,207	2,092	12,601
Total net position	\$ 27,632	\$ 17,615	\$ 5,993	\$ 4,843	\$ 56,083

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Transit	Fair	Marinas	Other Districts	Total
Operating revenues:					
Charges for services	\$ 1,001	\$ -	\$ 995	\$ 1,208	\$ 3,204
Rents and concessions	-	11,332	1,046	-	12,378
Sales and miscellaneous	-	-	1,119	-	1,119
Total operating revenues	1,001	11,332	3,160	1,208	16,701
Operating expenses:					
Services and supplies	21,137	5,904	1,698	937	29,676
Salaries and employee benefits	804	5,236	992	-	7,032
Depreciation and amortization	3,079	892	132	205	4,308
Total operating expenses	25,020	12,032	2,822	1,142	41,016
Operating income (loss)	(24,019)	(700)	338	66	(24,315)
Nonoperating revenues (expenses):					
Investment income	149	137	67	112	465
Interest expense	-	(2)	-	(24)	(26)
Intergovernmental	20,702	-	-	68	20,770
Gain (Loss) on disposal of capital assets	-	-	(9)	-	(9)
Miscellaneous	43	105	-	-	148
Total nonoperating revenues (expenses)	20,894	240	58	156	21,348
Income (loss) before transfers	(3,125)	(460)	396	222	(2,967)
Capital contributions	5,757	-	-	-	5,757
Transfers in	642	-	103	-	745
Transfers out	(15)	-	(1)	-	(16)
Change in net position	3,259	(460)	498	222	3,519
Net position, beginning of year, as previously presented	-	18,075	5,530	4,621	28,226
Restatements	24,373	-	(35)	-	24,338
Net position, beginning of year, as restated	24,373	18,075	5,495	4,621	\$ 52,564
Net position, end of year	\$ 27,632	\$ 17,615	\$ 5,993	\$ 4,843	\$ 56,083

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Transit	Fair	Marinas	Other Districts	Total
Cash flows from operating activities:					
Received from customers	\$ 1,113	\$ 11,334	\$ 3,590	\$ 1,213	\$ 17,250
Payments to suppliers for goods and services	(19,984)	(6,027)	(1,767)	(961)	(28,739)
Payments to employees for services	(1,092)	(5,918)	(1,041)	-	(8,051)
Net cash provided (used) by operating activities	(19,963)	(611)	782	252	(19,540)
Cash flows from noncapital financing activities:					
Transfers in	-	-	103	-	103
Transfers out	-	-	(1)	-	(1)
Proceeds from other governments	18,712	-	-	-	18,712
Contributions	-	20	-	-	20
Net cash provided (used) by noncapital financing activities	18,712	20	102	-	18,834
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(5,671)	(169)	(35)	-	(5,875)
Due from other governments	-	-	(8)	-	(8)
Advances to other governments	-	-	-	28	28
Capital contributions	6,622	-	-	-	6,622
Interest paid	-	-	-	(26)	(26)
Net cash (used) by capital and related financing activities	951	(169)	(43)	2	741
Cash flows from investing activities:					
Interest received (loss) on investments	149	221	67	112	549
Net cash provided by (used in) investing activities	149	221	67	112	549
Net increase (decrease) in cash and cash equivalents	(151)	(539)	908	366	584
Cash and cash equivalents, beginning of year	2,011	9,261	881	1,951	14,104
Cash and cash equivalents, end of year	\$ 1,860	\$ 8,722	\$ 1,789	\$ 2,317	\$ 14,688
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (24,019)	\$ (700)	\$ 338	\$ 66	\$ (24,315)
Depreciation and amortization	3,079	892	132	205	4,308
Net pension activity	(29)	(327)	(19)	-	(375)
Net OPEB activity	(81)	(390)	(35)	-	(506)
Changes in assets and liabilities:					
Decrease (increase) in:					
Accounts receivable	49	(28)	430	5	456
Inventories	(22)	-	27	-	5
Other assets	(19)	6	-	-	(13)
Increase (decrease) in:					
Accounts payable	1,194	(122)	(83)	(24)	965
Compensated absences	(178)	35	5	-	(138)
Other liabilities	63	23	(13)	-	73
Net cash provided (used) by operating activities	\$ (19,963)	\$ (611)	\$ 782	\$ 252	\$ (19,540)
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments	\$ 100	\$ 7,323	\$ 1,776	\$ 2,317	\$ 11,516
Cash and investments with trustee	-	-	13	-	13
Restricted cash and investments	1,760	1,399	-	-	3,159
Total cash and cash equivalents	\$ 1,860	\$ 8,722	\$ 1,789	\$ 2,317	\$ 14,688

INTERNAL SERVICE FUNDS

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

INSURANCE

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

HEAVY EQUIPMENT REPLACEMENT

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

ENTERPRISE RESOURCE PLANNING SYSTEM

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

EMPLOYEE RETIREMENT

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

Internal Service Funds
Combining Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	Insurance	Heavy Equipment Replacement	ERP System	Employee Retirement	Other Postemployment Benefits (OPEB)	Total
ASSETS						
Current assets:						
Cash and investments	\$ 92,628	\$ 1,639	\$ 10,871	\$ 31,518	\$ 4,427	\$ 141,083
Cash and investments with trustee	1,121	-	-	10	-	1,131
Accounts receivable, net	894	-	17	-	-	911
Due from other governments	50	-	-	-	-	50
Prepaid expenses	6	33	352	-	-	391
Total current assets	94,699	1,672	11,240	31,528	4,427	143,566
Noncurrent assets:						
Nondepreciable	-	660	-	-	-	660
Depreciable, net	-	8,685	1,289	-	-	9,974
Total noncurrent assets	-	9,345	1,289	-	-	10,634
Total assets	94,699	11,017	12,529	31,528	4,427	154,200
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amounts related to pensions	756	-	309	114,130	-	115,195
Deferred amounts related to OPEB	508	-	518	-	51,573	52,599
Total deferred outflows of resources	1,264	-	827	114,130	51,573	167,794
LIABILITIES						
Current liabilities:						
Accounts payable	621	309	72	7,791	22	8,815
Due to other funds	-	-	661	-	-	661
Deposits from others	89	-	-	-	-	89
Interest payable	-	-	2	800	-	802
Compensated absences	304	-	144	-	-	448
Self-funded insurance	16,088	-	-	-	-	16,088
Lease & subscription liability	-	-	420	-	-	420
Bonds payable	-	-	-	27,045	-	27,045
Other liabilities	605	-	-	-	-	605
Total current liabilities	17,707	309	1,299	35,636	22	54,973
Noncurrent portion of long-term liabilities:						
Self-funded insurance	57,031	-	-	-	-	57,031
Compensated absences	522	-	220	-	-	742
Lease & subscription liability	-	-	371	-	-	371
Bonds payable	-	-	-	132,900	-	132,900
Net pension liabilities	982	-	402	134,056	-	135,440
Net OPEB liabilities	772	-	320	-	88,431	89,523
Total noncurrent liabilities	59,307	-	1,313	266,956	88,431	416,007
Total liabilities	77,014	309	2,612	302,592	88,453	470,980
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to pensions	585	-	235	76,284	-	77,104
Deferred amounts related to OPEB	182	-	86	-	13,016	13,284
Total deferred inflows of resources	767	-	321	76,284	13,016	90,388
NET POSITION						
Net investment in capital assets	-	9,345	498	-	-	9,843
Unrestricted (deficit)	18,182	1,363	9,925	(233,218)	(45,469)	(249,217)
Total net position (deficit)	\$ 18,182	\$ 10,708	\$ 10,423	\$ (233,218)	\$ (45,469)	\$ (239,374)

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Insurance	Heavy Equipment Replacement	ERP System	Employee Retirement	Other Postemployment Benefits (OPEB)	Total
Operating revenues:						
Charges for services	\$ 53,784	\$ -	\$ 10,659	\$ 133,267	\$ 41,619	\$ 239,329
Rents and concessions	-	3,172	-	-	-	3,172
Sales and miscellaneous	3,358	266	-	-	-	3,624
Total operating revenues	57,142	3,438	10,659	133,267	41,619	246,125
Operating expenses:						
Services and supplies	29,421	2,410	7,138	-	-	38,969
Salaries and employee benefits	5,396	-	2,347	80,835	5,033	93,611
Claim expenses	20,798	-	-	-	-	20,798
Depreciation and amortization	-	896	1,246	-	-	2,142
Total operating expenses	55,615	3,306	10,731	80,835	5,033	155,520
Operating income (loss)	1,527	132	(72)	52,432	36,586	90,605
Nonoperating revenues (expenses):						
Investment income	4,512	124	613	1,163	523	6,935
Interest expense	-	-	(20)	(10,195)	-	(10,215)
Gain on disposal of capital assets	-	190	(3)	-	-	187
Total nonoperating revenues (expenses)	4,512	314	590	(9,032)	523	(3,093)
Income (loss) before transfers	6,039	446	518	43,400	37,109	87,512
Transfers in	-	-	6	1,017	-	1,023
Transfers out	(16)	-	(9)	-	-	(25)
Change in net position	6,023	446	515	44,417	37,109	88,510
Net position (deficit), beginning of year, as previously presented	12,536	10,262	10,052	(277,635)	(82,578)	(327,363)
Restatements	(377)	-	(144)	-	-	(521)
Net position (deficit), beginning of year, as adjusted or restated	12,159	10,262	9,908	(277,635)	(82,578)	\$ (327,884)
Net position (deficit), end of year	\$ 18,182	\$ 10,708	\$ 10,423	\$ (233,218)	\$ (45,469)	\$ (239,374)

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Insurance	Heavy Equipment Replacement	ERP System	Employee Retirement	Other Postemployment Benefits (OPEB)	Total
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 56,762	\$ 3,438	\$ 10,740	\$ 116,599	\$ 4,977	\$ 192,516
Payments to suppliers for goods and services	(51,024)	(2,228)	(7,181)	1,576	(189)	(59,046)
Payments to employees for services	(4,620)	-	(2,309)	(80,835)	(5,033)	(92,797)
Net cash provided (used) by operating activities	1,118	1,210	1,250	37,340	(245)	40,673
Cash flows from noncapital financing activities:						
Transfers in	-	-	6	1,017	-	1,023
Transfers out	(16)	-	(9)	-	-	(25)
Due to other funds	-	-	(881)	-	-	(881)
Advances to other funds	-	-	(661)	-	-	(661)
Deposits from others	89	-	-	-	-	89
Due to other governments	248	-	-	-	-	248
Principal paid on bonds	-	-	-	(23,935)	-	(23,935)
Interest paid	-	-	-	(10,314)	-	(10,314)
Net cash (used) by noncapital financing activities	321	-	(1,545)	(33,232)	-	(34,456)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	(2,709)	(412)	-	-	(3,121)
Interest paid	-	-	(19)	-	-	(19)
Net cash (used) by capital and related financing activities	-	(2,709)	(431)	-	-	(3,140)
Cash flows from investing activities:						
Interest received (loss) on investments	4,512	124	613	1,163	523	6,935
Net cash provided by investing activities	4,512	124	613	1,163	523	6,935
Net increase (decrease) in cash and cash equivalents	5,951	(1,375)	(113)	5,271	278	10,012
Cash and cash equivalents, beginning of year	87,798	3,014	10,984	26,257	4,149	132,202
Cash and cash equivalents, end of year	\$ 93,749	\$ 1,639	\$ 10,871	\$ 31,528	\$ 4,427	\$ 142,214
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,527	\$ 132	\$ (72)	\$ 52,432	\$ 36,586	\$ 90,605
Depreciation and amortization	-	896	1,246	-	-	2,142
Net pension activity	(113)	-	103	(16,668)	-	(16,678)
Net OPEB activity	(343)	-	(22)	-	(36,659)	(37,024)
Changes in assets and liabilities:						
Decrease (increase) in:						
Accounts receivable	76	-	-	-	17	93
Prepaid expenses	-	(7)	(39)	-	-	(46)
Increase (decrease) in:						
Accounts payable	(722)	189	(4)	1,576	(189)	850
Compensated absences	28	-	38	-	-	66
Self-funded insurance	748	-	-	-	-	748
Other liabilities	(83)	-	-	-	-	(83)
Net cash provided (used) by operating activities	\$ 1,118	\$ 1,210	\$ 1,250	\$ 37,340	\$ (245)	\$ 40,673
Noncash investing, capital and financing activities:						
Right-to-use lease acquisitions	\$ -	\$ -	\$ 27	\$ -	\$ -	\$ 27
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Cash and investments	\$ 92,628	\$ 1,639	\$ 10,871	\$ 31,518	\$ 4,427	\$ 141,083
Cash and investments with trustee	1,121	-	-	10	-	1,131
Total cash and cash equivalents	\$ 93,749	\$ 1,639	\$ 10,871	\$ 31,528	\$ 4,427	\$ 142,214



NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

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

- SONOMA VALLEY COUNTY SANITATION DISTRICT**
- RUSSIAN RIVER COUNTY SANITATION DISTRICT**
- SOUTH PARK COUNTY SANITATION DISTRICT**
- OCCIDENTAL COUNTY SANITATION DISTRICT**

Discretely Presented Nonmajor Component Units
Combining Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	Sonoma Valley County Sanitation District	Russian River County Sanitation District	South Park County Sanitation District	Occidental County Sanitation District	Total
ASSETS					
Cash and investments	\$ 33,261	\$ 9,634	\$ 19,224	\$ 2,165	\$ 64,284
Restricted cash and investments	2,920	154	433	-	3,507
Receivables, net	1,726	492	90	166	2,474
Due from other governments	459	14	-	-	473
Lease receivables	-	1	-	-	1
Prepaid expenses and deposits	17	-	-	2	19
Capital assets:					
Nondepreciable	19,564	3,888	836	813	25,101
Depreciable, net	74,815	16,767	16,813	3,591	111,986
Total assets	132,762	30,950	37,396	6,737	207,845
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	13	-	13
Total deferred outflows of resources	-	-	13	-	13
LIABILITIES					
Accounts payable and accrued liabilities	2,237	652	196	3	3,088
Due to other governments	37	7	9	-	53
Interest payable	364	4	-	-	368
Long-term liabilities:					
Due within one year	1,208	104	207	-	1,519
Due in more than one year	20,831	681	2,266	-	23,778
Total liabilities	24,677	1,448	2,678	3	28,806
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	753	-	-	-	753
Total deferred inflows of resources	753	-	-	-	753
NET POSITION					
Net investment in capital assets	70,626	19,859	17,233	4,406	112,124
Restricted	2,012	154	431	-	2,597
Unrestricted	34,694	9,489	17,067	2,328	63,578
Total net position	\$ 107,332	\$ 29,502	\$ 34,731	\$ 6,734	\$ 178,299



Discretely Presented Nonmajor Component Units
Combining Statement of Activities
For the Year Ended June 30, 2025
(Dollars in Thousands)

		Program Revenues					
		Expenses	Services	Operating Grants and Contributions	Contributions		
FUNCTION/PROGRAM ACTIVITIES:							
Component units:							
Sonoma Valley Sanitation District	\$	17,724	\$	21,567	\$ (885)	\$	2,321
Russian River Sanitation District		9,305		7,671		-	72
South Park Sanitation District		3,503		5,044		-	14
Occidental Sanitation District		1,740		640		-	970
Total component units	\$	32,272	\$	34,922	\$ (885)	\$	3,377
GENERAL REVENUES:							
Unrestricted investment earnings							
Total general revenues and transfers							
Change in net position							
Net position, beginning of year							
Net position, end of year							

Net (Expense) Revenue and Changes in Net Position						
Nonmajor Discrete Component Units						
Sonoma Valley County Sanitation District	Russian River County Sanitation District	South Park County Sanitation District	Occidental County Sanitation District			
				Total		
FUNCTION/PROGRAM ACTIVITIES:						
Component units:						
\$ 5,279	\$ -	\$ -	\$ -	\$ 5,279	Sonoma Valley Sanitation District	
-	(1,562)	-	-	(1,562)	Russian River Sanitation District	
-	-	1,555	-	1,555	South Park Sanitation District	
-	-	-	(130)	(130)	Occidental Sanitation District	
\$ 5,279	\$ (1,562)	\$ 1,555	\$ (130)	\$ 5,142	Total component units	
GENERAL REVENUES:						
1,884	619	957	89	3,549	Unrestricted investment earnings	
1,884	619	957	89	3,549	Total general revenues and transfers	
7,163	(943)	2,512	(41)	8,691	Change in net position	
100,169	30,445	32,219	6,775	169,608	Net position, beginning of year	
\$ 107,332	\$ 29,502	\$ 34,731	\$ 6,734	\$ 178,299	Net position, end of year	

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SCERA)

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST

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

Pension (and Other Employee Benefit) Trust Funds
Combining Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	Sonoma County Employees' Retirement Association (SCERA)	Other Postemployment Benefits (OPEB) Trust	Total Pension (and Other Employee Benefit) Trust Funds
ASSETS			
Cash and investments	\$ 2,152	\$ -	\$ 2,152
Restricted investments with trustee	329,274	-	329,274
Accounts receivable	150,904	-	150,904
Investments at fair value:			
Cash and equivalents	-	2,681	2,681
Mutual funds	45,677	143,126	188,803
Corporate obligations	175,535	21,578	197,113
Government obligations	225,451	29,758	255,209
Equities	2,199,089	-	2,199,089
Other investments	1,080,069	-	1,080,069
Total investments	3,725,821	197,143	3,922,964
Other assets	1,945	-	1,945
Total assets	4,210,096	197,143	4,407,239
LIABILITIES			
Accounts payable and other liabilities	2,853	-	2,853
Other liabilities	449,076	-	449,076
Total liabilities	451,929	-	451,929
NET POSITION			
Restricted for:			
Pension	3,758,167	-	3,758,167
Other postemployment benefits	-	197,143	197,143
Total net position	\$ 3,758,167	\$ 197,143	\$ 3,955,310

Pension (and Other Employee Benefit) Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	Sonoma County Employees' Retirement Association (SCERA)	Other Postemployment Benefits (OPEB) Trust	Total Pension (and Other Employee Benefit) Trust Funds
ADDITIONS			
Contributions:			
Employer contributions	\$ 93,869	\$ 41,714	\$ 135,583
Employee contributions	54,205	-	54,205
OPEB employer contributions outside of trust	-	3,271	3,271
Total contributions	148,074	44,985	193,059
Investment earnings (loss):			
Net increase (decrease) in fair value of investments	309,216	-	309,216
Interest, dividends, and other	73,875	17,903	91,778
Total investment earnings (loss)	383,091	17,903	400,994
Less investment costs:			
Investment expense	25,304	-	25,304
Net investment earnings (loss)	357,787	17,903	375,690
Miscellaneous	213	-	213
Total additions	506,074	62,888	568,962
DEDUCTIONS			
Benefits paid to participants or beneficiaries	221,361	-	221,361
Employer plan expense	2,967	-	2,967
Payments to other governments	-	22,663	22,663
Administrative expenses	4,725	1,257	5,982
Total deductions	229,053	23,920	252,973
Net increase (decrease) in fiduciary net position	277,021	38,968	315,989
Net position, beginning	3,481,146	158,175	3,639,321
Net position, ending	\$ 3,758,167	\$ 197,143	\$ 3,955,310

CUSTODIAL FUNDS

CUSTODIAL EXTERNAL INVESTMENT POOL FUNDS

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

FIRE INSURANCE PROCEEDS

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

OTHER EXTERNAL INVESTMENT POOL FUNDS

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

OTHER CUSTODIAL FUNDS

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

MTC TRUST

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

TAXES

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

SALES TAX

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

SPECIAL ASSESSMENT TRUST

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

OTHER

Collections on behalf of other governments.

Custodial External Investment Pool Funds
Combining Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	CMSP Trust ⁽¹⁾	Fire Insurance Proceeds	Other External Investment Pool Funds	Total
ASSETS				
Cash and investments	\$ -	\$ 102,444	\$ 10,292	\$ 112,736
Restricted investments with trustee	-	-	1,440	1,440
Accounts receivable	-	-	20	20
Total assets	-	102,444	11,752	114,196
LIABILITIES				
Accounts payable and other liabilities	-	-	23	23
Due to other governments	-	92,747	-	92,747
Other liabilities	-	22	2,870	2,892
Total liabilities	-	92,769	2,893	95,662
NET POSITION				
Restricted for:				
Pool participants	-	9,675	8,859	18,534
Total net position	\$ -	\$ 9,675	\$ 8,859	\$ 18,534

⁽¹⁾ CMSP Trust ceased to participate in County's treasury investment pool in FY2025.

Custodial External Investment Pool Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	CMSP Trust ⁽¹⁾	Fire Insurance Proceeds	Other External Investment Pool Funds	Total
ADDITIONS				
Investment earnings:				
Net increase (decrease) in fair value of investments	\$ -	\$ 1,475	\$ 4,318	\$ 5,793
Interest, dividends, and other	-	3,867	4,538	8,405
Total investment earnings (loss)	-	5,342	8,856	14,198
Licenses and fees	-	-	88	88
Miscellaneous	-	(20)	93,748	93,728
Total additions	-	5,322	102,692	108,014
DEDUCTIONS				
Payments to other governments	-	-	400,604	400,604
Administrative expense	-	-	71	71
Total deductions	-	-	400,675	
Net increase (decrease) in fiduciary net position		5,322	(297,983)	
Net position, beginning, as previously presented	298,093	4,353	8,749	311,195
Change within financial reporting entity (major to nonmajor fund)	(298,093)		298,093	-
Net position, beginning, as adjusted or restated	-	4,353	306,842	311,195
Net position, ending	\$ -	\$ 9,675	\$ 8,859	\$ 18,534

⁽¹⁾ CMSP Trust ceased to participate in County's treasury investment pool in FY2025.

Other Custodial Funds
Combining Statement of Net Position
June 30, 2025
(Dollars in Thousands)

	MTC Trust	Taxes	Sales Tax	Special Assessment Trust	Other	Total
ASSETS						
Cash and investments	\$ 26,511	\$ -	\$ -	\$ -	\$ -	\$ 26,511
Restricted investments with trustee	-	-	-	-	187	187
Accounts receivable	18,350	49,602	1,386	2,307	31,363	103,008
Due from other Govts	5,112	-	-	-	-	5,112
Other assets	-	43	-	-	782	825
Total assets	49,973	49,645	1,386	2,307	32,332	135,643
LIABILITIES						
Accounts payable and other liabilities	3,732	4,289	-	-	1,334	9,355
Due to other governments	1,050	10,344	-	-	1,273	12,667
Other liabilities	-	241	-	-	26,421	26,662
Total liabilities	4,782	14,874	-	-	29,028	48,684
NET POSITION						
Restricted for:						
Organizations and other governments	45,191	34,771	1,386	2,307	3,304	86,959
Total net position	\$ 45,191	\$ 34,771	\$ 1,386	\$ 2,307	\$ 3,304	\$ 86,959

Other Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025
(Dollars in Thousands)

	MTC Trust	Taxes	Sales Tax	Special Assessment Trust	Other	Total
ADDITIONS						
Investment earnings (loss):						
Net increase (decrease) in fair value of investments	\$ 674	\$ 1,043	\$ 109	\$ 38	\$ 30	\$ 1,894
Interest, dividends, and other	1,528	832	63	112	130	2,665
Total investment earnings (loss)	2,202	1,875	172	150	160	4,559
Less investment costs:						
Investment expense	-	5	-	-	29	34
Net investment earnings (loss)	2,202	1,870	172	150	131	4,525
Property taxes	-	167,032	-	933	6,751	174,716
Other taxes	28,924	553	-	-	-	29,477
License and fees	-	(13,514)	58,521	5,784	10,461	61,252
Miscellaneous	3,250	464	1,207	(718)	14,862	19,065
Total additions	34,376	156,405	59,900	6,149	32,205	289,035
DEDUCTIONS						
Payments to other governments	39,264	158,369	62,386	6,337	29,687	296,043
Administrative expenses	-	-	-	-	2,767	2,767
Total deductions	39,264	158,369	62,386	6,337	32,454	298,810
Net increase (decrease) in fiduciary net position	(4,888)	(1,964)	(2,486)	(188)	(249)	(9,775)
Net position, beginning	50,079	36,735	3,872	2,495	3,553	96,734
Net position, ending	\$ 45,191	\$ 34,771	\$ 1,386	\$ 2,307	\$ 3,304	\$ 86,959



Statistical Section





STATISTICAL SECTION (UNAUDITED)

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

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

	2015-16	2016-17 ⁽³⁾ as restated	2017-18 ⁽⁴⁾ as restated	2018-19	2019-20
Governmental activities					
Net investment in capital assets	\$ 1,163,262	\$ 1,192,407	\$ 1,208,423	\$ 1,251,617	\$ 1,293,820
Restricted	210,531	209,960	227,882	265,519	281,953
Unrestricted	(456,299)	(457,536)	(649,958)	(594,644)	(522,223)
Total governmental activities net position	\$ 917,494	\$ 944,831	\$ 786,347	\$ 922,492	\$ 1,053,550
Business-type activities					
Net investment in capital assets	145,735	155,959	162,020	150,286	149,934
Restricted	4,265	7,440	10,390	11,715	16,654
Unrestricted	7,058	(2,806)	(7,695)	6,541	8,109
Total business-type activities net position	\$ 157,058	\$ 160,593	\$ 164,715	\$ 168,542	\$ 174,697
Total government					
Net investment in capital assets	1,308,997	1,348,366	1,370,443	1,401,903	1,443,754
Restricted	214,796	217,400	238,272	277,234	298,607
Unrestricted	(449,241)	(460,342)	(657,653)	(588,103)	(514,114)
Total primary government net position	\$ 1,074,552	\$ 1,105,424	\$ 951,062	\$ 1,091,034	\$ 1,228,247

Notes:

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

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

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2020-21	2021-22	2022-23	2023-24	2024-25	
\$ 1,359,263	\$ 1,397,357	\$ 1,459,079	\$ 1,553,968	\$ 1,638,010	Governmental activities
351,841	423,220	496,380	515,743	547,551	Net investment in capital assets
(219,676)	(74,255)	(9,990)	99,781	232,055	Restricted
\$ 1,491,428	\$ 1,746,322	\$ 1,945,469	\$ 2,169,492	\$ 2,417,616	Unrestricted
					Total governmental activities net position
					Business-type activities
149,102	158,458	177,322	182,044	186,365	Net investment in capital assets
20,640	23,452	26,979	31,080	30,403	Restricted
13,197	26,224	19,730	26,086	19,806	Unrestricted
\$ 182,939	\$ 208,134	\$ 224,031	\$ 239,210	\$ 236,574	Total business-type activities net position
					Total government
1,508,365	1,555,815	1,636,401	1,736,012	1,824,375	Net investment in capital assets
372,481	446,672	523,359	546,823	577,954	Restricted
(206,479)	(48,031)	9,740	125,867	251,861	Unrestricted
\$ 1,674,367	\$ 1,954,456	\$ 2,169,500	\$ 2,408,702	\$ 2,654,190	Total primary government net position

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

	2015-16	2016-17	2017-18	2018-19	2019-20
Expenses					
Governmental activities					
General government	\$ 109,637	\$ 104,166	\$ 112,173	\$ 93,172	\$ 120,051
Public protection	281,574	310,466	306,078	331,051	326,507
Public ways and facilities	38,964	47,670	52,302	43,324	52,321
Health and sanitation	132,071	135,564	136,228	134,918	124,539
Public assistance	212,754	220,772	208,901	220,590	213,416
Education	1,056	1,118	1,122	1,182	1,237
Recreation and cultural services	16,004	33,174	33,943	27,355	28,405
Interest on long-term debt	35,344	29,136	28,219	26,295	24,259
Total governmental activities expenses	\$ 827,404	\$ 882,066	\$ 878,966	\$ 877,887	\$ 890,735
Business-type activities					
Integrated Waste	\$ 5,494	\$ 9,935	\$ 4,331	\$ 6,706	\$ 4,971
Airport	5,330	7,596	8,821	9,941	10,844
Energy Independence Program	2,581	2,458	2,253	2,299	2,306
Transit	17,923	18,816	19,309	20,252	20,410
Fair	10,661	7,199	11,495	10,818	11,222
Marinas	2,213	2,497	2,332	2,734	2,678
Other business-type activities	1,035	1,238	1,092	1,135	1,050
Total business-type activities expenses	\$ 45,237	\$ 49,739	\$ 49,633	\$ 53,885	\$ 53,481
Total primary government	\$ 872,641	\$ 931,805	\$ 928,599	\$ 931,772	\$ 944,216

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2020-21	2021-22	2022-23	2023-24	2024-25	
					Expenses
					Governmental activities
\$ 174,850	\$ 188,199	\$ 132,080	\$ 152,303	\$ 161,022	General government
315,399	324,378	379,172	391,851	471,157	Public protection
41,555	42,276	51,626	55,351	59,448	Public ways and facilities
126,113	150,633	191,818	235,938	277,823	Health and sanitation
211,766	222,131	266,560	274,084	295,104	Public assistance
1,047	1,049	1,673	1,412	1,529	Education
28,821	33,273	38,874	40,124	48,878	Recreation and cultural services
21,752	19,365	16,671	14,356	15,817	Interest on long-term debt
\$ 921,303	\$ 981,304	\$ 1,078,473	\$ 1,165,419	\$ 1,330,778	Total governmental activities expenses
					Business-type activities
\$ 5,500	\$ 5,968	\$ 6,846	\$ 8,407	\$ 9,293	Integrated Waste
11,028	12,342	13,688	13,814	17,817	Airport
2,417	2,056	1,918	1,898	2,274	Energy Independence Program
18,505	20,387	21,372	23,251	25,020	Transit
5,954	6,160	10,459	12,063	12,034	Fair
2,843	2,794	3,084	2,844	2,822	Marinas
1,104	1,440	1,142	1,334	1,166	Other business-type activities
\$ 47,351	\$ 51,147	\$ 58,509	\$ 63,611	\$ 70,426	Total business-type activities expenses
\$ 968,654	\$ 1,032,451	\$ 1,136,982	\$ 1,229,030	\$ 1,401,204	Total primary government

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

	2015-16	2016-17	2017-18	2018-19	2019-20
Program Revenue					
Governmental activities					
Charges for services					
General government	\$ 52,021	\$ 40,057	\$ 38,026	\$ 40,737	\$ 43,365
Public protection	34,737	35,029	37,181	45,579	43,133
Public ways and facilities	395	407	4,025	3,766	4,503
Health and sanitation	6,501	13,938	12,583	10,842	9,925
Public assistance	9,173	3,499	1,544	1,421	1,242
Recreation and cultural services	5,193	5,763	5,577	5,992	5,453
Total charges for services	108,020	98,693	98,936	108,337	107,621
Operating grants and contributions	471,383	464,039	514,968	501,263	510,514
Capital grants and contributions	3,102	4,013	3,071	3,318	2,143
Total governmental activities	582,505	566,745	616,975	612,918	620,278
Business - type activities					
Charges for services					
Integrated Waste	7,380	6,661	7,223	7,619	7,950
Airport	4,935	5,764	7,053	6,888	5,054
Energy Independence Program	2,845	2,658	2,313	2,033	1,937
Transit	2,035	1,825	1,957	1,804	1,180
Fair	11,520	9,204	11,268	12,260	11,230
Marinas	2,145	2,343	2,264	2,396	2,467
Other business-type activities	1,078	1,158	1,233	803	1,102
Total charges for services	31,938	29,613	33,311	33,803	30,920
Operating grants and contributions	13,232	13,937	15,335	16,960	180,729
Capital grants and contributions	7,712	10,467	2,868	3,255	5,357
Total business - type activities program revenues	52,882	54,017	51,514	54,018	55,006
Total primary government program revenues	\$ 635,387	\$ 620,762	\$ 668,489	\$ 666,936	\$ 675,284
Net (Expense) Revenue					
Governmental activities	\$ (249,401)	\$ (244,899)	\$ (315,321)	\$ (261,991)	\$ (264,969)
Business - type activities	20,705	7,645	4,278	1,881	133
Total primary government net expenses	\$ (228,696)	\$ (237,254)	\$ (311,043)	\$ (260,110)	\$ (264,836)

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2020-21	2021-22	2022-23	2023-24	2024-25	
Program Revenue					
Governmental activities					
Charges for services					
\$ 43,588	\$ 45,322	\$ 52,007	\$ 50,162	\$ 59,571	General government
41,047	40,142	39,539	37,877	39,413	Public protection
4,601	5,379	4,867	4,259	5,087	Public ways and facilities
10,470	11,299	11,193	12,717	13,674	Health and sanitation
1,358	1,618	1,782	1,695	1,802	Public assistance
7,761	7,412	8,025	7,405	7,417	Recreation and cultural services
108,825	111,172	117,413	114,115	126,964	Total charges for services
633,524	651,763	608,609	680,469	782,707	Operating grants and contributions
3,681	4,635	4,905	4,010	3,567	Capital grants and contributions
746,030	767,570	730,927	798,594	913,238	Total governmental activities
Business - type activities					
Charges for services					
8,069	7,407	8,703	9,036	9,236	Integrated Waste
6,359	8,339	9,479	11,517	12,570	Airport
1,603	1,619	1,667	2,051	2,206	Energy Independence Program
212	791	938	858	1,001	Transit
5,131	8,668	11,006	11,289	11,332	Fair
2,882	2,878	2,836	2,493	3,151	Marinas
1,129	1,017	1,161	1,200	1,208	Other business-type activities
25,385	30,719	35,790	38,444	40,704	Total charges for services
21,099	23,639	25,399	18,779	21,178	Operating grants and contributions
6,195	18,753	8,237	11,060	5,824	Capital grants and contributions
52,679	73,111	69,426	68,283	67,706	Total business - type activities program revenues
\$ 798,709	\$ 840,681	\$ 800,353	\$ 866,877	\$ 980,944	Total primary government program revenues
Net (Expense) Revenue					
\$ (175,273)	\$ (213,734)	\$ (347,546)	\$ (366,825)	\$ (417,540)	Governmental activities
5,328	21,964	10,917	4,672	(2,720)	Business - type activities
\$ (169,945)	\$ (191,770)	\$ (336,629)	\$ (362,153)	\$ (420,260)	Total primary government net expenses

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

	2015-16	2016-17	2017-18	2018-19	2019-20
Net (expense) revenue					
Governmental activities	\$ (244,899)	\$ (315,321)	\$ (261,991)	\$ (264,969)	\$ (270,457)
Business-type activities	7,645	4,278	1,881	133	1,525
Total primary government net expense	(237,254)	(311,043)	(260,110)	(264,836)	(268,932)

General revenues and other changes in net position:

Governmental activities:

Taxes:					
Property tax	222,211	233,256	245,274	259,239	274,643
Documentary transfer revenue	5,541	6,047	6,201	5,585	6,817
Transient occupancy tax	14,188	17,701	22,237	22,377	16,234
Grants and other governmental revenue not restricted to specific programs	40,686	42,813	48,721	53,018	55,566
Unrestricted investment earnings	8,331	7,778	10,907	22,758	15,402
Other	17,583	36,532	38,688	39,617	44,753
Transfers	(1,385)	(1,469)	(1,328)	(1,480)	(1,599)
Special/Extraordinary item	-	-	(1,367)	-	(10,301)
Total governmental activities	307,155	342,658	369,333	401,114	411,816

Business-type activities:

Unrestricted investment earnings (loss)	370	367	868	2,283	1,592
Other	65	(25)	45	2,066	1,439
Transfers	1,385	1,469	1,328	1,480	1,599
Total business-type activities	1,820	1,811	2,241	5,829	4,630
Total primary government	\$ 308,975	\$ 344,469	\$ 372,941	\$ 406,943	\$ 416,446

Changes in net position:

Governmental activities	62,256	27,337	107,342	136,145	131,058
Business-type activities	9,465	6,089	4,122	5,962	6,155
Total primary government	\$ 71,721	\$ 33,426	\$ 111,464	\$ 142,107	\$ 137,213

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2020-21	2021-22	2022-23	2023-24	2024-25	
					Net (expense) revenue
\$ (175,273)	\$ (213,734)	\$ (347,546)	\$ (366,825)	\$ (417,540)	Governmental activities
5,328	21,964	10,917	4,672	(2,720)	Business-type activities
(169,945)	(191,770)	(336,629)	(362,153)	(420,260)	Total primary government net expense
General revenues and other changes in net position:					
Governmental activities:					
General revenues:					
290,134	304,492	325,693	339,577	365,305	Property tax
9,071	9,378	6,124	5,870	6,163	Documentary transfer revenue
24,289	32,830	29,507	30,048	30,073	Transient occupancy tax
66,463	95,805	102,480	101,216	156,146	Grants and other governmental revenue not restricted to specific programs
7,304	(23,419)	20,513	61,554	69,569	Unrestricted investment earnings
217,255	51,793	63,444	55,764	71,808	Other
(1,365)	(2,251)	(1,068)	(3,181)	6,952	Transfers
613,151	468,628	546,693	590,848	706,016	Total governmental activities
Business-type activities:					
264	(1,980)	1,669	4,208	4,941	Unrestricted investment earnings (loss)
1,285	2,960	2,243	3,118	2,686	Other
1,365	2,251	1,068	3,181	(6,952)	Transfers
2,914	3,231	4,980	10,507	675	Total business-type activities
\$ 616,065	\$ 471,859	\$ 551,673	\$ 601,355	\$ 706,691	Total primary government
Changes in net position:					
437,878	254,894	199,147	224,023	288,476	Governmental activities
8,242	25,195	15,897	15,179	(2,045)	Business-type activities
\$ 446,120	\$ 280,089	\$ 215,044	\$ 239,202	\$ 286,431	Total primary government

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

	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund					
Nonspendable	\$ 14,673	\$ 12,974	\$ 11,306	\$ 8,966	\$ 11,037
Committed	3	3	5	15	14
Assigned	73,592	76,290	86,444	11,584	146,306
Unassigned	57,497	60,403	53,224	71,294	37,870
Subtotal General Fund	145,765	149,670	150,979	191,859	195,227
All Other Governmental Funds					
Nonspendable	4,326	3,973	3,771	3,763	3,687
Restricted	222,475	221,115	237,938	275,209	289,226
Committed	7,024	5,373	8,860	9,152	6,847
Assigned	48,785	42,193	46,980	46,491	39,248
Subtotal all other governmental funds	282,610	272,654	297,549	334,615	339,008
Total governmental fund balance	\$ 428,375	\$ 422,324	\$ 448,528	\$ 526,474	\$ 534,235

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2020-21	2021-22	2022-23	2023-24	2024-25	
General Fund					
\$ 8,457	\$ 9,074	\$ 13,683	\$ 12,198	\$ 8,273	Nondisposable
-	889	889	889	1,539	Restricted
124	153	311	343	357	Committed
276,514	202,488	270,906	272,255	286,564	Assigned
91,118	67,266	55,000	63,610	78,167	Unassigned
376,213	279,870	340,789	349,295	374,900	Subtotal General Fund
All Other Governmental Funds					
3,752	4,147	5,343	5,929	5,963	Nondisposable
364,392	433,770	506,870	525,900	555,637	Restricted
13,358	34,481	30,110	31,590	45,412	Committed
27,133	117,078	113,556	126,346	177,894	Assigned
408,635	589,836	655,879	689,765	784,906	Subtotal all other governmental funds
\$ 784,848	\$ 869,706	\$ 996,668	\$ 1,039,060	\$ 1,159,806	Total governmental fund balance

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

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues (by source):					
Taxes	\$ 282,665	\$ 299,817	\$ 322,433	\$ 340,219	\$ 353,260
Licenses, permits and franchise fees	28,577	29,169	29,509	34,078	33,698
Fines, forfeitures and penalties	24,836	12,995	13,129	16,247	16,951
Use of money and property	7,561	7,130	9,632	19,058	13,547
Intergovernmental	469,363	468,052	518,038	504,581	512,657
Charges for services	54,607	56,529	56,299	58,012	56,972
Other	29,495	32,061	35,267	46,826	29,921
Total revenues	897,104	905,753	984,307	1,019,021	1,017,006
Expenditures (by function):					
Current:					
General government	108,126	99,429	114,791	88,279	117,547
Public protection	281,466	307,874	322,852	340,814	350,655
Public ways and facilities	30,496	39,023	33,607	35,228	47,653
Health and sanitation	135,081	137,342	146,623	141,141	136,668
Public assistance	218,413	224,976	225,460	231,592	234,557
Education	1,032	1,087	1,161	1,132	1,187
Recreation and cultural services	15,231	32,276	35,279	27,188	28,505
Capital outlay	39,986	52,458	59,425	58,318	58,918
Debt service:					
Principal	82,754	9,957	11,473	9,368	9,753
Interest	18,697	6,981	6,338	6,008	5,506
Total expenditures	931,282	911,403	957,009	939,068	990,949
Excess (deficiency) of revenues over (under) expenditures	(34,178)	(5,650)	27,298	79,953	26,057
Other financing sources (uses):					
Transfers in	143,129	80,486	97,898	121,415	148,265
Transfers out	(141,950)	(81,597)	(98,866)	(124,507)	(156,760)
Lease inception	-	-	-	-	-
Issuance of long-term debt	43,335	17,225	2,300	654	-
Premium on long term debt issuance	7,044	-	-	-	-
Sale of capital assets	348	551	1,080	431	486
Other financing sources/(uses)	-	(17,066)	-	-	-
Total other financing sources and uses	51,906	(401)	2,412	(2,007)	(8,009)
Special/Extraordinary item	-	-	(3,506)	-	(10,287)
Net change in fund balances	17,728	(6,051)	26,204	77,946	7,761
Fund balances, beginning of year, as restated	410,647	428,375	422,324	448,528	526,474
Fund balances, end of year	\$ 428,375	\$ 422,324	\$ 448,528	\$ 526,474	\$ 534,235
Debt service as a percentage of noncapital expenditures	11.38%	1.97%	1.98%	1.75%	1.64%

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

2020-21	2021-22	2022-23	2023-24	2024-25	
\$	\$	\$	\$	\$	Revenues (by source):
389,957	442,505	463,804	476,708	557,687	Taxes
32,187	34,332	36,097	35,790	36,386	Licenses, permits and franchise fees
16,500	13,867	18,711	14,775	21,800	Fines, forfeitures and penalties
6,995	(19,608)	18,064	54,595	61,210	Use of money and property
637,215	656,398	613,514	684,469	786,274	Intergovernmental
60,138	62,973	62,605	63,552	68,779	Charges for services
222,792	50,903	62,596	52,536	76,144	Other
1,365,784	1,241,370	1,275,391	1,382,425	1,608,280	Total revenues
					Expenditures (by function):
					Current:
193,864	209,491	125,994	147,217	145,265	General government
360,635	366,833	376,577	411,072	492,425	Public protection
37,392	34,248	40,618	38,763	45,647	Public ways and facilities
147,393	169,754	190,572	248,303	290,612	Health and sanitation
247,687	251,907	266,661	289,062	317,191	Public assistance
1,169	1,173	1,461	1,249	1,358	Education
31,835	36,531	36,394	39,983	54,459	Recreation and cultural services
85,139	71,266	99,219	159,267	173,466	Capital outlay
22,574	21,543	24,732	24,750	20,250	Principal
5,509	4,667	4,326	3,988	5,250	Interest
1,133,197	1,167,413	1,166,554	1,363,654	1,545,923	Total expenditures
232,587	73,957	108,837	18,771	62,357	Excess (deficiency) of revenues over (under) expenditures
					Other financing sources (uses):
144,610	241,566	185,616	208,048	238,466	Transfers in
(145,754)	(248,709)	(175,764)	(214,622)	(232,511)	Transfers out
-	2,046	7,239	25,015	18,678	Lease inception
-	-	180	2,362	3,568	SBITA inception
66,636	-	-	2,056	29,594	Issuance of long-term debt
7,746	-	-	-	-	Premium on long term debt issuance
755	-	-	-	-	Sale of capital assets
(55,967)	15,998	854	762	594	Other financing sources/(uses)
18,026	10,901	18,125	23,621	58,389	Total other financing sources and uses
250,613	84,858	126,962	42,392	120,746	Net change in fund balances
534,235	784,848	869,706	996,668	1,039,060	Fund balances, beginning of year, as restated
\$ 784,848	\$ 869,706	\$ 996,668	\$ 1,039,060	\$ 1,159,806	Fund balances, end of year
2.68%	2.39%	2.72%	2.39%	1.86%	Debt service as a percentage of noncapital expenditures

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

Fiscal Year	Secured ⁽¹⁾	Unsecured ⁽²⁾	Exempt ⁽³⁾	Total Taxable Assessed Value ⁽⁴⁾	Total Direct Tax Rate ⁽⁴⁾
2015-16	\$ 78,257,731	\$ 2,681,992	\$ (3,116,014)	\$ 77,823,709	1.00
2016-17	82,727,351	2,659,027	(3,171,082)	82,215,296	1.00
2017-18	85,835,554	2,758,806	(3,139,460)	85,454,900	1.00
2018-19	90,472,427	2,908,430	(3,212,531)	90,168,326	1.00
2019-20	96,098,191	3,241,273	(3,502,462)	95,837,002	1.00
2020-21	101,928,048	3,538,887	(3,786,024)	101,680,911	1.00
2021-22	105,018,299	3,700,904	(3,724,094)	104,995,109	1.00
2022-23	112,010,885	3,934,834	(3,929,109)	112,016,610	1.00
2023-24	119,026,150	4,338,865	(4,218,880)	119,146,135	1.00
2024-25	127,768,855	4,508,221	(4,555,831)	127,721,245	1.00

Notes:

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

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

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

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

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

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

Fiscal Year	County Direct Rates ⁽¹⁾			Overlapping Rates ⁽¹⁾			Total
	County	Other	County Direct Rate	Cities ⁽²⁾	School Districts ⁽³⁾	Special Districts	
2015-16	0.21305	0.78695	1.0000	0.05200	0.02603	0.01259	1.09062
2016-17	0.21333	0.78667	1.0000	0.05700	0.02561	0.01229	1.09490
2017-18	0.21352	0.78648	1.0000	0.10700	0.02440	0.01263	1.14403
2018-19	0.21416	0.78584	1.0000	0.10700	0.02438	0.01152	1.14290
2019-20	0.21460	0.78540	1.0000	0.10700	0.02395	0.01298	1.14393
2020-21	0.21460	0.78540	1.0000	0.10700	0.02380	0.01290	1.14370
2021-22	0.21381	0.78619	1.0000	0.09800	0.02234	0.00997	1.13031
2022-23	0.21387	0.78613	1.0000	0.09800	0.02233	0.00983	1.13016
2023-24	0.21403	0.78597	1.0000	0.09800	0.02201	0.00977	1.12978
2024-25	0.21413	0.78587	1.0000	0.08000	0.02342	0.00930	1.11272

Notes:

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

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

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

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Principal Revenue Taxpayers (Unaudited)
June 30, 2025 and June 30, 2016
(Dollar Amounts in Thousands)

June 30, 2025:				June 30, 2016:			
Taxpayer	Total Taxes ⁽¹⁾	Rank	Percentage of Total County Taxes	Total Taxes ⁽¹⁾	Rank	Percentage of Total County Taxes	
Pacific Gas & Electric Co.	\$ 33,392	1	2.19%	\$ 12,107	2	1.41%	
Geysers Power Co. LLC	16,550	2	1.08	12,134	1	1.41	
CCS Healdsburg LLC	5,264	3	0.34				
Keysight Technologies Inc.	3,889	4	0.25	2,406	3	0.28	
Jackson Family Investments LLC	2,425	5	0.16	1,012	9	0.12	
Foley Family Farms LLC	2,183	6	0.14				
CPN Wild Horse Geothermal LLC	2,163	7	0.14				
Enclave Apartments Prop LLC	1,891	8	0.12				
Oaks & Olives LLC	1,671	9	0.11				
CWI-Fairmon Sonoma Hotel	1,526	10	0.10	1,083	8	0.13	
Foley Family Wines, inc.				1,191	6	0.14	
Pacific Bell				1,694	4	0.20	
Lytton Rancheria of California				963	10	0.11	
Ferrari-Carano Vineyards				1,210	5	0.14	
EMI Stanta Rosa LTD				1,115	7	0.13	
Total	\$ 70,954		4.65%	\$ 34,915		4.06%	
Total taxes of all taxpayers ⁽²⁾	\$ 1,526,072			\$ 859,250			

Notes:

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

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Sonoma County Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2016

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

Fiscal Year	Taxes Levied ⁽¹⁾	Collections within the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015-16	\$ 778,237	\$ 770,592	99.0%	\$ 7,164	777,756	99.9%
2016-17	822,153	815,344	99.2%	6,377	821,721	99.9%
2017-18	854,549	844,872	98.9%	9,208	854,080	99.9%
2018-19	901,683	893,578	99.1%	7,380	900,958	99.9%
2019-20	958,370	946,295	98.7%	10,889	957,184	99.9%
2020-21	1,016,809	1,003,959	98.7%	11,418	1,015,377	99.9%
2021-22	1,049,951	1,035,218	98.6%	12,964	1,048,182	99.8%
2022-23	1,120,166	1,104,448	98.6%	12,464	1,116,912	99.7%
2023-24	1,191,461	1,166,063	97.9%	19,436	1,185,499	99.5%
2024-25	1,277,212	1,245,056	97.5%	-	1,245,056	97.5%

Notes:

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

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

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

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

Fiscal Year	Governmental Activities				
	Certificates of Participation	Bonds Payable	Pension Obligation Bonds	Notes Payable	Loans Payable
2015-16	\$ 22,356	\$ 48,865	\$ 425,250	\$ -	\$ 74,490
2016-17	20,212	43,645	404,185	-	72,423
2017-18	16,538	38,180	379,925	3,360	69,633
2018-19	14,929	32,440	352,370	-	67,974
2019-20	13,170	26,406	321,415	-	66,485
2020-21	11,252	83,461	286,690	840	-
2021-22	9,189	73,631	247,880	-	-
2022-23	7,046	63,875	204,945	-	-
2023-24	4,920	54,890	183,880	-	-
2024-25	29,629	52,305	159,945	-	-

Fiscal Year	Business-Type Activities			
	Energy Independence Bonds	Notes and Loans Payable	Advances From Other Governments	Landfill Closure and Postclosure ⁽⁴⁾
2015-16	38,250	7,217	8,799	4,834
2016-17	33,556	4,215	7,829	9,993
2017-18	30,307	448	6,595	9,831
2018-19	28,311	17,357	2,369	9,508
2019-20	25,128	16,857	1,985	NA
2020-21	23,356	17,146	1,632	NA
2021-22	23,695	16,160	1,267	NA
2022-23	27,189	15,206	887	NA
2023-24	31,904	14,713	862	NA
2024-25	32,615	14,207	833	NA

Fiscal Year	Ratios based on Total Primary Debt			
	Population ⁽¹⁾	Percentage of Assessed Value ⁽²⁾	Percentage of Personal Income	Per Capita ⁽³⁾
2015-16	501,959	0.82%	2.37%	1,266
2016-17	505,120	0.73%	2.12%	1,200
2017-18	503,332	0.67%	2.00%	1,132
2018-19	500,675	0.60%	1.79%	1,076
2019-20	492,980	0.50%	1.45%	971
2020-21	484,207	0.47%	1.34%	988
2021-22	482,404	0.42%	1.11%	907
2022-23	478,174	0.37%	1.11%	873
2023-24	478,146	0.34%	1.01%	848
2024-25	482,848	0.32%	1.03%	855

Notes:

⁽¹⁾ Population Estimate as of January 1, 2024

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

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

⁽⁴⁾ As of FY2019-20, long-term contract payable and landfill closure and postclosure were determined to be long-term liability and not debt, therefore are noted as not applicable or NA.

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Long-Term Contract Payable ⁽⁴⁾	Lease Liabilities	SBITA Liabilities	Financed Purchase Obligations	Unamortized Premiums	Subtotal	Fiscal Year
\$ -	\$ -	\$ -	2,862	\$ 6,550	\$ 580,373	2015-16
-	-	-	2,419	5,623	548,507	2016-17
5,958	-	-	4,113	4,696	522,403	2017-18
5,296	-	-	4,407	3,913	481,329	2018-19
NA	-	-	3,937	3,130	434,543	2019-20
NA	-	-	3,380	9,826	395,449	2020-21
NA	84,892	-	2,907	8,777	427,276	2021-22
NA	83,989	4,121	2,353	7,728	374,057	2022-23
NA	99,274	4,384	3,929	6,678	357,955	2023-24
NA	105,583	5,111	3,410	9,385	365,368	2024-25

Subtotal	Total Primary Government	Fiscal Year
\$ 59,100	\$ 639,473	2015-16
55,593	604,100	2016-17
47,181	569,584	2017-18
57,545	538,874	2018-19
43,970	478,513	2019-20
42,134	437,583	2020-21
41,122	468,398	2021-22
43,282	417,339	2022-23
47,479	405,434	2023-24
47,655	413,023	2024-25

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

Fiscal Year	Assessed Value ⁽¹⁾	Legal Debt Limit ⁽²⁾	Debt Applicable to Limit ⁽³⁾	Legal Debt Margin ⁽⁴⁾	Legal Debt Margin/Debt Limit
2015-16	\$ 77,823,709	\$ 1,556,474	\$ -	\$ 1,556,474	100%
2016-17	82,215,296	1,644,306	-	1,644,306	100%
2017-18	85,454,900	1,709,098	-	1,709,098	100%
2018-19	90,168,326	1,803,367	-	1,803,367	100%
2019-20	95,837,002	1,916,740	-	1,916,740	100%
2020-21	101,680,911	2,033,618	-	2,033,618	100%
2021-22	104,995,109	2,099,902	-	2,099,902	100%
2022-23	112,016,610	2,240,332	-	2,240,332	100%
2023-24	119,146,135	2,382,923	-	2,382,923	100%
2024-25	127,721,245	2,554,425	-	2,554,425	100%

Notes:

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

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

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

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

Source:

Sonoma County Auditor-Controller-Treasurer-Tax Collector

Schedule of Direct and Overlapping Debt (Unaudited)
June 30, 2025
(Dollar Amounts in Thousands)

2024-25 Taxable Assessed Valuation: \$ 127,721,245

Overlapping Debt and Tax Assessment Debt ⁽¹⁾	Percentage Applicable to Sonoma County Taxable Assessed Valuation	Debt Outstanding
High School Districts	100%	\$ 541,033
Unified School Districts	100%	594,899
Elementary Districts	100%	535,483
Santa Rosa Junior College	100%	336,025
Sonoma County Water Agency	100%	53,007
Total Overlapping Debt and Tax Assessment Debt		\$ 2,060,447

Direct Debt ⁽¹⁾	Debt Outstanding	Percentage Applicable to Sonoma County Taxable Assessed Valuation	Debt Outstanding applicable to taxable assessed valuation
Sonoma County Certificates of Participation	\$ 29,629	100%	\$ 29,629
Sonoma County Bonds Payable	61,690	100%	61,690
Sonoma County Pension Obligation Bonds	159,945	100%	159,945
Sonoma County Notes Payable	-	100%	-
Sonoma County Lease Liabilities	105,583	100%	105,583
Sonoma County SBITA Liabilities	5,111	100%	5,111
Sonoma County Financed Purchase Obligations	3,410	100%	3,410
Total Direct Debt	\$ 365,368		\$ 365,368
Total Combined Overlapping and Direct Debt			\$ 2,425,815

Assessed Valuation Ratio:

Total Overlapping Tax and Assessment Debt	1.61%
Total Direct Debt	0.29%
Total Combined Overlapping and Direct Debt	1.90%

Notes:

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

Source:

Sonoma County Water Agency Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2024
Sonoma County Auditor-Controller-Treasurer-Tax Collector

Demographics and Economic Statistics (Unaudited)

Last Ten Fiscal Years

Calendar Year	Estimated Population	Personal Income ⁽¹⁾	Per Capita Personal Income	School Enrollment	Unemployment Rate
2016	501,959	\$ 26,874,652	\$ 53,540	71,131	4.1%
2017	505,120	27,034,022	53,520	70,940	3.6%
2018	503,332	28,457,348	56,538	70,449	2.4%
2019	500,675	30,183,693	60,286	69,734	2.8%
2020	492,980	32,889,161	66,715	68,194	11.6%
2021	484,207	35,601,803	73,526	66,450	5.8%
2022	482,404	39,359,689	81,591	64,802	2.7%
2023	478,174	37,598,558	78,629	64,375	3.7%
2024	478,146	40,187,189	84,048	64,447	4.0%
2025	482,848	40,187,189	83,229	64,798	4.7%

Incorporated Cities Population:

Cloverdale	8,678
Cotati	7,290
Healdsburg	10,972
Petaluma	59,094
Rohnert Park	44,062
Santa Rosa	178,452
Sebastopol	7,367
Sonoma	10,507
Town of Windsor	25,625
Total Incorporated	352,047
Total Unincorporated Areas	130,801
Total Population	482,848

Notes:

⁽¹⁾ Personal Income of all County residents in thousands and estimated as of November 2024. Bureau of Economic Analysis did not publish Regional Data of GDP and Personal Income (BEARFACTS) in November 2025; therefore, 2024 personal income amount is used as an estimate for 2025.

Sources:

California Department of Finance, E-1 Population Estimates for Cities, Counties, and the State - January 1, 2025

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

California Department of Education; Data Enrollment by Grade report for 2024-25

California Employment Development Department: Labor Force Statistics

Economic Development Dept. -Local Area Unemployment Map for Counties, as of June 2025

Major Employers (Unaudited) June 30, 2025 and June 30, 2016

Employer	June 30, 2025			June 30, 2016		
	Number of Employees	Rank	Percent of Total County Employment	Number of Employees	Rank	Percent of Total County Employment
County of Sonoma	4,243	1	1.79%	3,855	1	1.43%
Kaiser Permanente	3,773	2	1.59	2,640	3	0.98
Providence (Santa Rosa Memorial)	1,879	3	0.79	1,578	5	0.59
Redwood Credit Union	908	4	0.38			
Amy's Kitchen	858	5	0.36	870	10	0.32
Olivers Market	800	6	0.34			
Hansel Auto Group	501	7	0.21			
Ghilotti Construction Company, Inc.	473	8	0.20			
Jackson Family Wines	415	9	0.17			
Exchange Bank	328	10	0.14			
Santa Rosa Junior College				3,733	2	1.39
Graton Resort & Casino				2,000	4	0.74
Sonoma State University				1,505	6	0.56
Keysight Technologies (Agilent)				1,300	7	0.48
City of Santa Rosa				1,254	8	0.47
Sutter Medical Center				936	9	0.35
Ten largest Employer's	14,178		5.97%	19,671		7.30%
All other employer's	223,422		94.03%	249,788		92.70%
Total Employees	237,600		100.00%	269,459		100.00%

Sources:

North Bay Business Journal Book of Lists (2025)

State of California Employment Development Department: Labor Force Statistics

County of Sonoma Annual Comprehensive Financial Report 2015-2016

County Employees By Function (Unaudited)

Last Ten Fiscal Years

FTE'S:	2015-16	2016-17	2017-18	2018-19	2019-20
General Government					
Board of Supervisors / County Executive	39	38	45	57	64
General Services	111	110	107	102	103
County Clerk-Assessor-Recorder-PA	102	103	105	107	101
Auditor-Controller / Treasurer-Tax Collector	88	90	93	99	94
County Counsel	39	41	44	43	41
Human Resources	55	56	59	67	66
Information Systems	100	102	99	99	100
Economic Development	12	12	12	12	21
Public Protection					
District Attorney	115	122	126	125	121
Public Defender	49	51	51	50	52
Sheriff	603	625	624	611	608
Probation	291	267	262	262	269
Permit and Resource Management	105	112	133	151	139
Emergency Services	23	21	17	9	12
Child Support Services	85	85	87	84	79
Agricultural Commissioner	32	37	36	36	35
Northern Sonoma County Air Pollution Control	6	6	6	-	-
Public Assistance					
Human Services and IHSS	891	877	834	847	852
Health Services ⁽⁶⁾					
H.S.-Administration	67	65	90	78	85
Public Health	227	227	232	215	206
Behavioral Health	246	265	240	213	237
HPPE - Healthy Policy, Planning, & Equity	31	33	2	-	-
Homelessness ⁽⁴⁾	-	-	-	-	-
Public Ways & Facilities					
Roads	118	113	117	121	124
Cultural & Recreational					
Regional Parks ⁽¹⁾	81	79	88	88	107
Agricultural Preservation and Open Space District	24	25	25	25	27
Education					
U.C. Cooperative Extension	5	5	4	5	5
Enterprise Funds					
Integrated Waste Enterprise Fund ⁽²⁾	9	10	8	9	10
Airport Enterprise Fund	15	16	16	18	18
Transit	5	5	5	5	6
Fairgrounds	27	25	27	27	24
Discrete Component Units					
Community Development Commission	39	43	41	46	44
Sonoma Water	215	228	222	224	222
Library ⁽³⁾	-	-	-	-	-
	3,855	3,894	3,857	3,835	3,872

Notes:

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

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

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

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

⁽⁵⁾ In FY 2024-25, Health Services data for the past ten years was revised to align program functions with the current organizational structure.

Source:

Sonoma County Auditor Controller Treasurer Tax-Collector

2020-21	2021-22	2022-23	2023-24	2024-25	FTE'S:
					General Government
72	68	82	96	84	Board of Supervisors / County Executive
98	95	93	86	104	General Services
98	101	108	110	109	County Clerk-Assessor-Recorder-PA
94	102	100	101	95	Auditor-Controller / Treasurer-Tax Collector
42	42	41	42	41	County Counsel
68	67	63	68	68	Human Resources
98	96	104	105	105	Information Systems
14	14	13	15	13	Economic Development
					Public Protection
122	126	130	130	131	District Attorney
49	52	53	60	62	Public Defender
595	567	550	613	619	Sheriff
251	240	235	245	247	Probation
154	154	158	176	168	Permit and Resource Management
10	12	9	13	14	Emergency Services
72	62	58	57	51	Child Support Services
33	36	34	34	38	Agricultural Commissioner
-	-	-	-	-	Northern Sonoma County Air Pollution Control
					Public Assistance
875	866	885	940	975	Human Services and IHSS
					Health Services ⁽⁶⁾
90	86	87	107	118	H.S.-Administration
197	194	195	212	219	Public Health
252	231	226	289	319	Behavioral Health
-	-	-	-	-	HPPE - Healthy Policy, Planning, & Equity
-	-	26	28	28	Homelessness ⁽⁴⁾
					Public Ways & Facilities
123	127	126	127	112	Roads
					Cultural & Recreational
112	117	119	121	125	Regional Parks ⁽¹⁾
27	27	32	34	36	Agricultural Preservation and Open Space District
					Education
4	7	6	6	6	U.C. Cooperative Extension
					Enterprise Funds
10	11	12	13	14	Integrated Waste Enterprise Fund ⁽²⁾
18	18	18	21	24	Airport Enterprise Fund
6	6	5	6	4	Transit
13	18	25	23	20	Fairgrounds
					Discrete Component Units
36	50	50	45	51	Community Development Commission
227	235	247	247	243	Sonoma Water
-	-	-	-	-	Library ⁽³⁾
3,860	3,827	3,890	4,170	4,243	

Operating Indicators by Function/Program (Unaudited)

Last Ten Fiscal Years

	2015-16	2016-17	2017-18	2019-20	2020-21
Function/Program					
Law & Justice					
Felonies and Misdemeanors Referred by Law Enforcement Agencies ⁽⁵⁾	2,229	2,370	2,553	-	2,196
Felonies and Misdemeanors Filed ⁽⁵⁾	149,121	99,714	30,572	-	139,428
Public Safety					
Fire Prevention Inspections ⁽¹⁾	1,321	1,393	1,737	-	-
Dispatch Calls - Sheriff	114,980	111,568	114,599	96,478	124,158
Adult Detention Facility Bookings - Sheriff	15,953	15,987	16,516	14,546	17,903
Juvenile Hall Average Daily Population	60	54	41	38	90
Health & Public Assistance					
Birth Certificates Registered - Health Services	5,380	4,997	4,715	4,559	5,532
Emergency Medical Responses - Health Services	50,567	66,680	70,310	-	53,417
Total Collections - Child Support Enforcement ⁽⁴⁾	31,063	34,120	35,220	33,987	30,363
Community Resources & Public Facilities					
Permit & Resource Management:					
Code Enforcement Cases	1,075	994	1,890	1,687	870
Customers Served (Public Counter)	33,458	-	-	-	33,988
Building Permits Issued	6,004	5,933	8,625	8,445	16,340
Integrated Waste					
Tonnage - Transportation & Public Works ⁽²⁾	292,867	297,282	1,216,047	323,030	240,000
Diverted Tonnage - Transportation & Public Works	102,302	85,696	85,365	101,275	107,356
Regional Parks ⁽⁶⁾					
Park Visitors	5,084,152	5,376,723	5,317,133	5,359,420	4,605,999
Veterans/Community Center: ⁽³⁾					
Events	2,912	3,793	1,583	1,357	4,145
Attendance	255,018	343,136	135,182	123,681	387,500

Notes:

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

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

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

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

⁽⁴⁾ In thousands

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

⁽⁶⁾ In FY 24-25 visitor counts are lower due to the department's adoption of Citydata.ai, which more accurately measures park visitation.

Source:

Sonoma County Departments

2020-21	2021-22	2022-23	2023-24	2024-25	Function/Program
					Law & Justice
2,196	8,325	14,631	15,578	15,637	Felonies and Misdemeanors Referred by Law Enforcement Agencies ⁽⁵⁾
139,428	12,823	12,389	11,092	11,380	Felonies and Misdemeanors Filed ⁽⁵⁾
					Public Safety
-	-	-	-	-	Fire Prevention Inspections ⁽¹⁾
124,158	81,778	80,433	82,013	91,124	Dispatch Calls - Sheriff
17,903	9,614	12,333	12,896	12,780	Adult Detention Facility Bookings - Sheriff
90	23	42	60	63	Juvenile Hall Average Daily Population
					Health & Public Assistance
5,532	5,116	4,479	4,765	4,368	Birth Certificates Registered - Health Services
53,417	57,837	59,141	66,212	71,699	Emergency Medical Responses - Health Services
30,363	30,470	29,517	30,170	30,645	Total Collections - Child Support Enforcement ⁽⁴⁾
					Community Resources & Public Facilities
					Permit & Resource Management:
870	1,509	1,288	1,257	1,085	Code Enforcement Cases
33,988	16,736	29,122	21,239	21,015	Customers Served (Public Counter)
16,340	8,067	8,391	7,584	7,616	Building Permits Issued
					Integrated Waste
240,000	306,863	295,149	319,857	301,882	Tonnage - Transportation & Public Works ⁽²⁾
107,356	99,733	95,530	102,649	101,082	Diverted Tonnage - Transportation & Public Works
					Regional Parks ⁽⁶⁾
4,605,999	6,204,388	5,266,191	5,737,124	3,969,738	Park Visitors
					Veterans/Community Center: ⁽³⁾
4,145	791	990	1,280	617	Events
387,500	66,003	91,341	156,552	62,610	Attendance

Capital Assets Statistics By Function (Unaudited)

Last Ten Fiscal Years

	2015-16	2016-17	2017-18	2018-19	2019-20
Function					
Sheriff:					
Stations	3	3	3	3	3
Sub-Stations ⁽²⁾	5	5	2	2	2
Patrol Units	157	159	146	148	-
Helicopter	1	1	1	1	1
Marine Craft	5	5	5	5	5
Streets And Highways:					
Streets (miles)	1,379	1,379	1,368	1,368	1,368
Bridges (longer than 20 feet)	328	328	328	328	328
Traffic Lights:					
Traffic Lights - County Only	38	40	38	38	38
Traffic Lights - Shared With Cities	3	3	3	1	1
Traffic Lights - Shared With State	30	30	30	31	32
Total Traffic Lights	71	73	71	70	71
Parks And Recreation:					
Acreage Open to Public ⁽¹⁾	11,037	11,036	11,071	12,556	8,976
Sonoma Water:					
Water Mains (miles) ⁽⁴⁾	90	90	89	89	89
Chlorination Facilities	3	3	3	3	3
Pumping Plants/Booster Stations ⁽⁵⁾	21	21	21	21	21
Production Wells	9	9	9	9	9
Tank Storage Capacity (thousands of gallons)	128,800	129,000	129,000	129,000	129,000
Sanitation:					
Sanitary Sewers (miles)	230	230	230	230	273
Treatment Capacity (millions of gallons)	13,439	13,439	13,439	-	-
Treatment Capacity (Avg. Daily Dry Weather Flow, MGD) ⁽³⁾	-	-	5	5	5
Transit:					
Fleet (including buses and vans)	83	80	83	83	86

Notes:

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

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

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

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

Source:

Sonoma County Departments

2020-21	2021-22	2022-23	2023-24	2024-25	Function
					Sheriff:
3	3	3	3	3	Stations
2	2	2	2	2	Sub-Stations ⁽²⁾
-	-	-	-	-	Patrol Units
1	1	1	1	1	Helicopter
4	4	4	4	4	Marine Craft
					Streets And Highways:
1,369	1,369	1,369	1,369	1,369	Streets (miles)
327	325	326	320	321	Bridges (longer than 20 feet)
					Traffic Lights:
35	35	36	37	39	Traffic Lights - County Only
5	5	5	5	5	Traffic Lights - Shared With Cities
30	30	30	30	30	Traffic Lights - Shared With State
70	70	71	72	74	Total Traffic Lights
					Parks And Recreation:
9,218	10,887	10,887	11,789	13,369	Acreage Open to Public ⁽¹⁾
					Sonoma Water:
89	89	89	89	89	Water Mains (miles) ⁽⁴⁾
3	3	3	3	3	Chlorination Facilities
21	21	7	7	7	Pumping Plants/Booster Stations ⁽⁵⁾
9	9	16	16	9	Production Wells
129,000	129,000	129,000	129,000	129,000	Tank Storage Capacity (thousands of gallons)
					Sanitation:
273	271	271	271	281	Sanitary Sewers (miles)
-	-	-	-	-	Treatment Capacity (millions of gallons)
2.80	4.94	4.78	4.78	4.78	Treatment Capacity (Avg. Daily Dry Weather Flow, MGD) ⁽³⁾
					Transit:
81	78	78	78	80	Fleet (including buses and vans)



Glossary



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INFRASTRUCTURE. Long-lived capital assets normally stationary in nature and preserved for significantly more years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the Independent Auditors' Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS. Required supplementary information that introduces the basic financial statements and provides an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. Types of balances and related changes reported in a given set of financial statements.

NET INVESTMENT IN CAPITAL ASSETS. One of three components of net position reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes outstanding balances of bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

NET POSITION. The residual of all other elements presented in a statement of financial position.

NONSPENDABLE FUND BALANCE. Amounts that cannot be spent because they are either not spendable in form; or legally contractually required to be maintained intact.

OTHER FINANCING SOURCES. Current financial resources increase reported separately from revenue to avoid distorting revenue trends, such as long-term debt proceeds, proceeds from the sale of general fixed assets, and operating transfers in.

OTHER FINANCING USES. Current financial resources decrease reported separately from expenditures to avoid distorting expenditure trends, such as operating transfers out, and the amount of refunding bond proceeds deposited with the escrow agent.

OVERLAPPING DEBT. The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government.

PROPRIETARY FUND. Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the ACFR.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data or other information, which, according to the GASB, is necessary to supplement, although not required to be a part of, the general-purpose financial statements.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

RESTRICTED FUND BALANCE OR RESTRICTED NET POSITION. Amounts with constraints placed on use by creditors, grantors, contributors or laws or other governments regulations; or restrictions imposed by law through constitutional provisions or enabling legislation.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES. Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers.

RIGHT-TO-USE ASSET. A lessee's right to use an underlying asset over the lesser or the asset's useful life or term of the lease.

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1996 and Office of Management and Budget (Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. The Single Audit Act sets forth standards for the audit of non-Federal entities expending Federal awards.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require the use of special revenue funds when legally mandated.

UNASSIGNED FUND BALANCE. The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

UNRESTRICTED NET POSITION. That portion of net position that is neither restricted nor invested in capital assets (net of related debt).







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