

C O U N T Y O F MENDOCINO



STATE OF CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

Prepared and submitted by
THE OFFICE OF THE AUDITOR-CONTROLLER
LLOYD B. WEER



-- COVER PHOTO CREDITS --

Laughlin Ridge, Redwood Valley [Dan Gibson]

Point Arena Lighthouse, Point Arena [Lonely Planet]

Mendocino County wildfire, Potter Valley [Kee DeLong]

Anderson Valley Vineyards, Anderson Valley [VisitMendocinoCounty]

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INTRODUCTORY SECTION





MENDOCINO COUNTY

AUDITOR-CONTROLLER

(707)234-6860 • FAX (707)467-2503-501 LOW GAP ROAD, ROOM 1080, UKIAH, CALIFORNIA 95482

LLOYD B. WEER
AUDITOR-CONTROLLER

December 18, 2018

To the Citizens of the County of Mendocino and the Board of Supervisors:

I am pleased to present this Fiscal Year 2017-18 Comprehensive Annual Financial Report ("CAFR") for the County of Mendocino. This CAFR is intended to present information above and beyond what is required by generally accepted accounting principles ("GAAP") or state law.

It is my hope that this report will give the residents of Mendocino County, the Board of Supervisors, and other users a broader view and understanding of County financial operations and to further assist the users of our financial statements in assessing the financial condition of the County.

This CAFR is in compliance with Sections 25250 & 25253 of the Government Code of the State of California. These statutes require all general-purpose local governments to issue an annual report on the financial position and activities of that government. The report must be presented in conformance with GAAP and must be audited by an independent firm of certified public accountants ("CPA") in conformance with Generally Accepted government Auditing standards ("GAGAS"). The financial statements contained in this CAFR meet these requirements.

This report contains management representations and is prepared by the Office of the Auditor-Controller. Mendocino County management is responsible for the accuracy of the presented data, and the completeness and fairness of the presentation. To provide reasonable assurance of accuracy of the information presented in these financial statements and to protect County assets, management has instituted an internal control framework. This framework consists of policies, procedures and computer-based accounting and management information systems sufficient to ensure reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control 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 financial statements and accompanying Notes to the Financial Statements contained in this CAFR have been audited by Clifton Larson Allen, LLC ("CLA"), a Limited Liability Partnership of Certified Public Accountants. Their audit was performed in accordance with GAGAS. The auditors have concluded, based on their audit, that the financial statements combined with the accompanying notes

present fairly, in all material respects, the financial condition of Mendocino County as of June 30, 2018. A copy of their report is included on page 9 in the “Financial Section” of this CAFR.

In planning and performing the audit of the financial statements, CLA considered the internal control structure of the County in order to determine appropriate audit procedures. During this review, no significant deficiencies or material weaknesses were noted. This information was presented in a letter to the Board of Supervisors and management.

Management is required by GAAP (GASB 34) to provide a management Discussion and Analysis (“MD&A”) in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County. The MD&A begins on page 12 in the “Financial Section” of this CAFR.

Overview of the County

History and Geography: Mendocino County is located on the north coast of California and is noted for its distinctive Pacific Ocean coastline, its location along California’s “Lost Coast”, redwood forests, agriculture, wine production, and microbrews. Mendocino County was one of the original counties of California, created in 1850 at the time of statehood and derives its name from Cape Mendocino.

With an area of over 3,800 square miles, Mendocino County encompasses roughly 3,500 square miles of land and 372 square miles of water. The County is located about 100 miles north of San Francisco. It is bordered by six other California counties: Sonoma to the South, Lake, Glenn, and Tehama to the East, and Trinity and Humboldt to the North.

Structure: The County is a general law county. The County government is comprised of ten elected officials including a five-member Board of Supervisors, the Assessor-Clerk-Recorder, the Auditor-Controller, the District Attorney, the Sheriff, and the Treasurer-Tax Collector; all elected to four-year terms. A County Chief Executive Officer (“CEO”) is appointed by the Board of Supervisors.

The accounts of the County are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which the spending activities are controlled.

Services: The County government provides a full range of public services including public safety, roads and facilities, social services, administrative services, health services, sanitation services, and leisure services. Typically, the department heads who run these operations, other than elected department heads, report to the CEO.

Population: The County maintains a steady population base in excess of 88,000 people. About 67% of the County’s population is located outside the County’s four incorporated cities. The city of Ukiah serves as the County seat, and is the County’s largest city with a population of over 16,000. The three other incorporated cities are Fort Bragg, Point Arena, and Willits.

Component Units

This report includes all the funds of the County of Mendocino and the entities described in Note 1 of the Notes. Although all these entities are legally separate from the County, the County Board of Supervisors serve as the governing board of each entity and the entities meet the test required by GAAP to be presented as blended component units in the County Financial Statements. In addition, individual financial statements are available for some of the above component units and can be obtained by contacting the Office of the Auditor-Controller of the County of Mendocino.

Budgetary Process

The County is required by State law to adopt a balanced budget by July 1 of each fiscal year. Budgets are adopted for the general fund, special revenue funds, debt service funds, and capital project funds. The legal level of budgetary control is at the Department budget Unit level. Budget data is prepared on the modified accrual basis consistent with comparable actual amounts. A budget is also adopted for the internal service funds.

Encumbrance accounting is utilized during the year for budget control purposes. Unspent encumbered budget appropriations lapse at the end of the fiscal year. Board of Supervisors policy requires re-appropriation of carryover capital improvement projects on an annual basis after review of each project status.

The board approves supplemental appropriations, which are normally financed by unanticipated revenues during the year.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Agribusiness (excluding timber): Down 1.01% or \$2 million over the prior year with a gross production value of \$136 million. Agribusiness continues to be Mendocino County's No. 1 industry. The agriculture industry provides 1,440 jobs within the County. Crop values fluctuate yearly based on production, market and weather conditions. Wine grapes were Mendocino County's largest crop, which increased by 4%. The second largest crop was timber which decreased by 3%. The total economic impact of agricultural production, excluding timber, in Mendocino County has exceeded \$135 million annually since 2012.

Timber: Down 12% or \$9 million over the prior year with a gross production value of \$77 million. Timber continues to be Mendocino County's No. 2 industry. The timber industry provides approximately 420 jobs within the Country.

Employment: According to the State Employment Development Department reports, the unemployment rate in Mendocino County was 4.4% as of June 2017, a decrease of 0.4% compared to the prior year's rate of 4.8% and a decrease of 0.5% compared to the state average of 4.9%.

Real Estate/Housing: The average home price in Mendocino County has increased from this time last year. The median home price increased from \$355 thousand in June 2016 to \$375 thousand in June 2017. Median home prices have increased each year since 2012 and are up 43% during this time period.

Long-Term Financial Planning

The 2018-19 fiscal year budget represents conservative growth when compared to the FY 2017-18 budget. The growth in budget should not be viewed as “adding back” to those programs and services that were previously reduced during the economic downturn as community needs are continuously changing and County operations must be flexible enough to respond to those changing needs. Property Tax revenue has continued to increase and key economic indicators such as transient occupancy, property and sales taxes show signs of growth allowing for a slight increase in the FY 2018-19 spending level. The final 2018-19 budget authorized a \$279,987,412 spending level, which is an increase over the \$274,965,398 budget from the FY 2017-18. The general fund had \$188,399,421 appropriated to finance the current year’s expenditures and includes \$1,680,911 earmarked from designations.

Each year a 5-year Capital Improvement Program (CIP) plan is compiled for short-range and long-range capital acquisition and development. It also includes plans to improve or rehabilitate County-owned roads and facilities. The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs. The five-year CIP does not appropriate funds; rather it serves as a budgeting tool, identifying those Capital Project appropriations to be made through the adoption of the County’s annual budget. Total 2018-19 appropriations for Capital Projects is \$5,453,029. Many of the existing projects will be completed over multiple years.

Relevant Financial Policies

Balanced Budget: The County Executive Officer (CEO) and Auditor-Controller (AC) shall present a balanced budget for all County operating funds on an annual basis.

Ongoing Budget Administration: The CEO with the assistance of the AC prepares and presents quarterly budget updates to the Board of Supervisors. These reports consist of year-to-date information including County department revenue, the County’s discretionary revenues, expenditures levels, new and upcoming issues that may affect the budget, and other related information.

Budget Priorities: The budget is developed within the framework of the Board of Supervisors’ current goals of Fiscal Stability, Financial Sustainability, and Organizational Development.

Use of “One-Time” Funds: One-time revenue shall be dedicated for use for one-time expenditures. Annual budgets will not be increased to the point that ongoing operating costs become overly reliant upon cyclical or unreliable one-time revenues.

Formal Debt Policy: A comprehensive Debt Management Policy was developed by the CEO and AC and was approved by the Debt Advisory Committee. It was adopted by the Board of Supervisors on April 24, 2012.

Cost Recovery through Fees: Whenever possible, utilize fees to recover costs where reasonable and after all cost savings options have been explored.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the accounting and auditing staff of the Auditor-Controller's Office. We would like to acknowledge our independent auditors, CliftonLarsonAllen, LLP, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its leadership responsibility and unfailing support to ensure the continued fiscal health and integrity of the County.

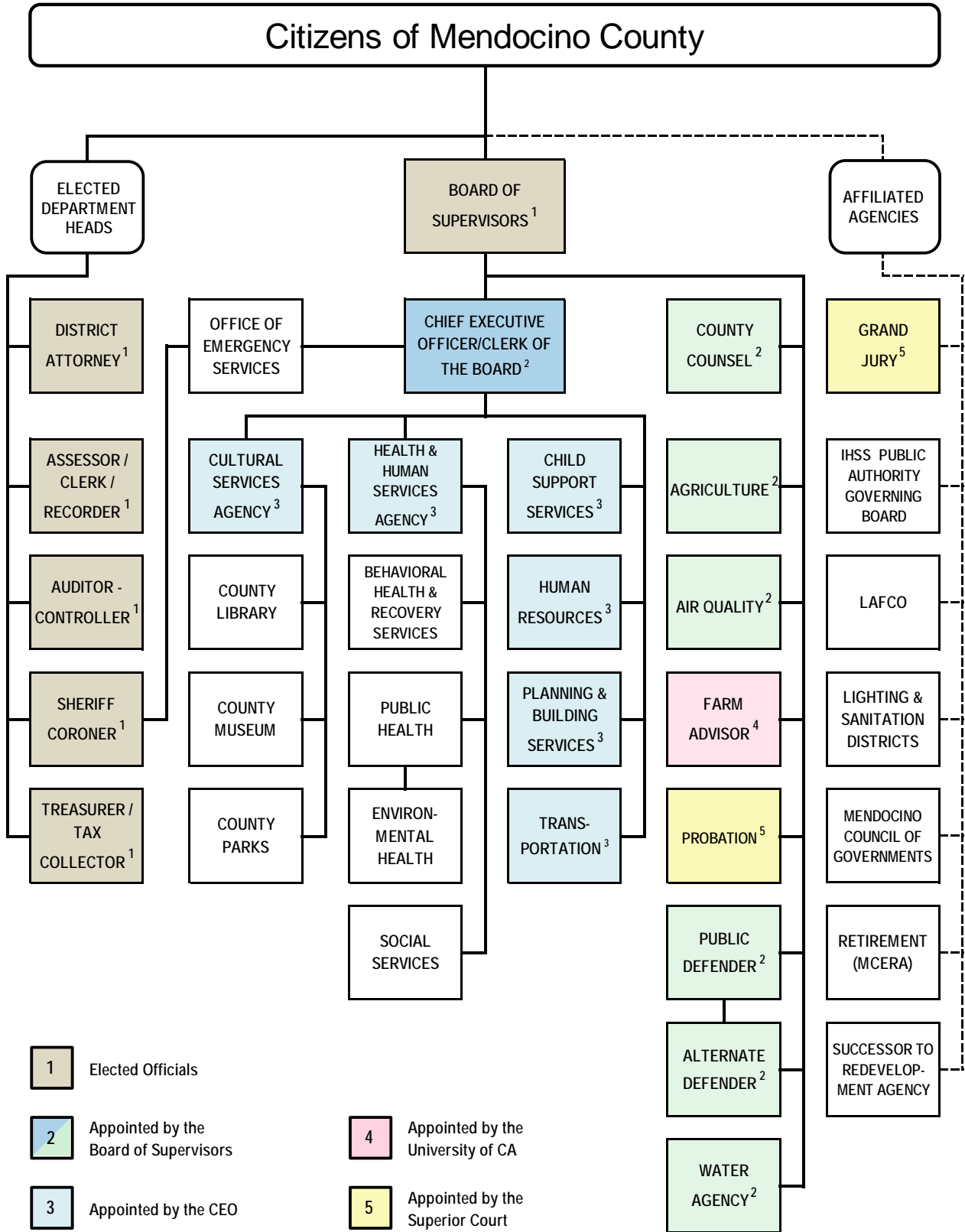
Respectfully Submitted:



Lloyd B. Weer
Auditor-Controller



County of MENDOCINO
 ORGANIZATIONAL CHART
 June 30, 2018



- 1 Elected Officials
- 2 Appointed by the Board of Supervisors
- 3 Appointed by the CEO
- 4 Appointed by the University of CA
- 5 Appointed by the Superior Court

County of MENDOCINO
 PRINCIPAL COUNTY OFFICIALS
 June 30, 2018



Carre Brown
 District 1



John McCowen
 District 2



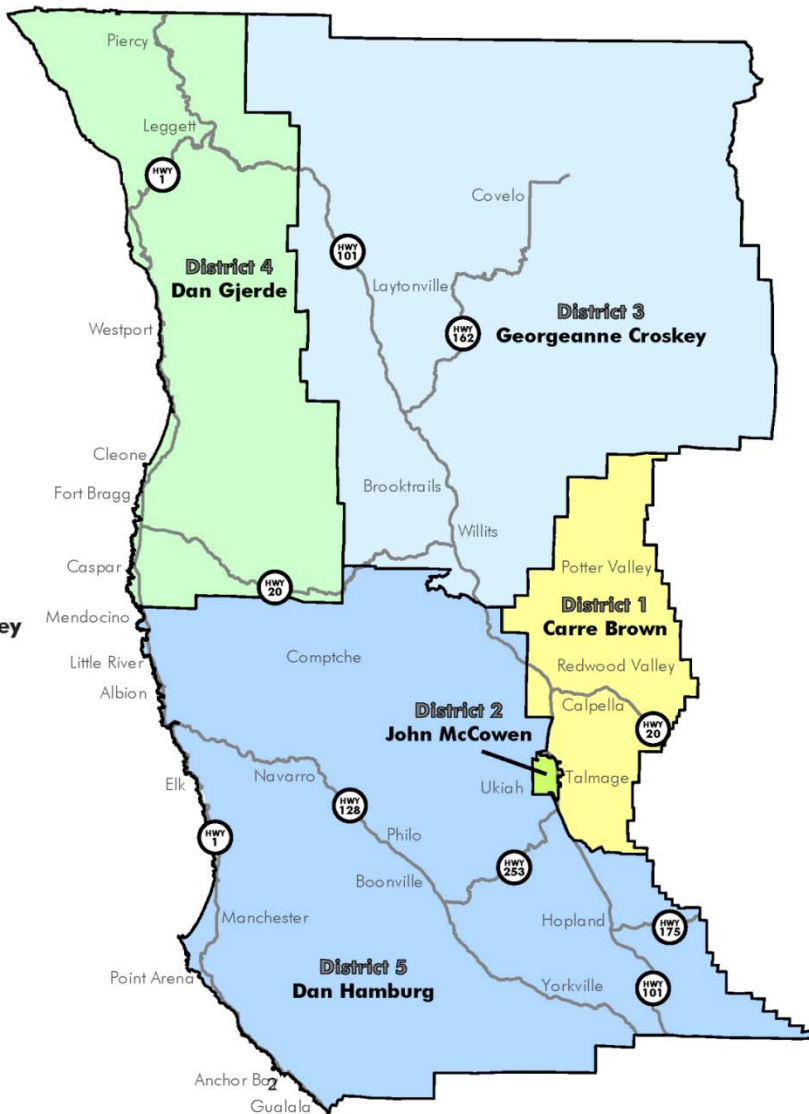
Georgeanne Croskey
 District 3



Dan Gjerde
 District 4



Dan Hamburg
 District 5



County of MENDOCINO
PRINCIPAL COUNTY OFFICIALS (CONTINUED)
June 30, 2018

Elected Officials:

Legislative Branch/Board of Supervisors:

District #1 Carre Brown
District #2 John McCowen
District #3 Georgeanne Croskey
District #4 Dan Gjerde
District #5 Dan Hamburg

Executive Branch:

Assessor-County Clerk-Recorder Susan M. Ranochak
Auditor-Controller Lloyd B. Weer
District Attorney C. David Eyster
Sheriff-Coroner Thomas D. Allman
Treasurer-Tax Collector Shari L. Schapmire

Appointed Department Heads:

Chief Executive Officer Carmel J. Angelo
Agricultural Commissioner Harinder Grewal
Air Quality Management District Barbara Moed
Alternate Defender Patricia Littlefield
Child Support Services Director, Interim Randy Johnson
County Counsel Katharine L. Elliott
Cultural Services Agency Director Karen Horner
Farm Advisor Director Glenn McGourty
Health and Human Services Director Tammy Moss Chandler
Human Resources Director Heidi Dunham
Planning and Building Director Brent Schultz
Public Defender Jeffrey Aaron
Transportation Director Howard Dashiell
Water Agency Carmel J. Angelo

Appointed by Superior Court:

Chief Probation Officer Izen Locatelli



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Board of Supervisors and Grand Jury
County of Mendocino
Ukiah, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Mendocino, California, (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit Mendocino County Employees' Retirement Association (MCERA) which represents 100 percent of the assets, liabilities, and revenues of the pension trust fund a fiduciary fund type component unit. These financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion as it relates to the amounts included for the MCERA is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018, 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.

Emphasis of Matter

Prior period adjustments

As disclosed in Note 8 to the financial statements, prior period adjustments were recorded for the correction of errors in prior year financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund statements and schedules, other budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 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 County's internal control over financial reporting and compliance



CliftonLarsonAllen LLP

Roseville, California
December 18, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS

The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report.



**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

This section of the County of Mendocino (the County) Comprehensive Annual Financial Report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements following this section.

Financial Highlights

- The liabilities plus deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the 2018 fiscal year by \$(24,408,142) (net position). Of this amount, there was a deficit of \$(177,033,033) in unrestricted net position. Due to the implementation of GASB 68 in FY 2015, which required recognizing the pension liability on the statements caused a deficit in unrestricted net position. Restricted net position of \$50,179,456 represents resources that are subject to external restrictions on their use. The remaining \$102,445,435 represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets.
- The County's total net position increased by \$2,303,722 during the current fiscal year. The increase in net position represents the degree to which revenues exceeded expenses, an indication that the financial position of the County is improving. In addition, there was a prior period adjustment of \$8,677,930 that effected the beginning net position.
- As of June 30, 2018, the County's governmental funds reported a combined ending fund balance of \$76,233,647. This was a decrease of \$(3,909,554) in comparison with the prior year, and includes the prior period adjustment. Revenues increased by \$10.3 million, \$7.0 million from taxes, \$1.0 million from Licenses and permits, \$1.7 million from Federal and State Aid, and \$0.6 million from charges for services. Expenditures increased by \$23.7 million. Most of this increase was \$6.5 million from Public Protection and \$11.6 million from Health and Sanitation.
- At the end of the fiscal year, the general fund reported an ending fund balance of \$43,771,901, of which \$138,794 was nonspendable, \$7,070,560 was committed, \$29,626,250 was assigned, and \$6,936,297 was unassigned.
- Total long-term debt decreased by \$(5,745,000) (7%) during the 2017/18 fiscal year.

Overview of the Financial Statements. Management's discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the Financial Statements. In addition to the financial statements, Required Supplementary Information is included to provide additional detail to support the financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. It is comprised of a statement of net position and statement of activities.

The statement of net position presents information on all County assets, liabilities and deferred outflows/inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the 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 significant portion of their costs through user fees, fines and charges for service. The governmental activities of the County include: General Government, Public Protection, Public Ways and Facilities (Transportation), Health and Sanitation, Public Assistance, Education, Recreation and Culture, and Debt Service and Contingencies. Internal Service Funds that provide insurance coverage, computer software acquisition and vehicle replacement are also included in governmental activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also several legally separate lighting districts, a sanitation district, a water agency, an air quality management district, and a public facilities corporation for which the County is financially accountable. Financial information for these component units, with the exception of the Water Agency and Air Quality Management District, is reported separately from the financial information presented for the primary government itself. The Water Agency and Air Quality Management District, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been 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 of 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 and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County maintains 20 individual governmental funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for the general fund, the road fund, the mental health fund, the debt service fund and the pension obligation bonds fund, all of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The County maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, its management information systems and for self-insurance coverage. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found in the other supplementary information section of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities and deferred inflows exceeded assets and deferred outflows by \$(24,408,142) at the close of the 2017/18 fiscal year.

	Governmental Activities*	
	2018	2017
ASSETS		
Current and Other Assets	\$ 122,482,052	\$ 108,637,578
Capital Assets	120,725,435	113,677,055
Total Assets	243,207,487	222,314,633
DEFERRED OUTFLOWS OF RESOURCES	38,630,790	54,671,471
LIABILITIES		
Other Liabilities	19,916,705	17,521,052
Long-Term Liabilities	278,048,008	290,994,697
Total Liabilities	297,964,713	308,515,749
DEFERRED INFLOWS OF RESOURCES	8,281,706	3,860,149
NET POSITION		
Net Investment in Capital Assets	102,445,435	94,282,055
Restricted	50,179,456	33,814,726
Unrestricted	(177,033,033)	(163,486,575)
Total Net Position	\$ (24,408,142)	\$ (35,389,794)

The largest portion of the County's net position, \$102,445,435, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

* Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

Another portion of the County's net position, \$50,179,456, is restricted net position and represents resources that are subject to constraints by either external creditors or government entities or by law through constitutional provisions or enabling legislation.

The County's unrestricted net position balance of \$(177,033,033) was the result of reporting County's pension liability on the statements to comply with the new GASB 68 accounting standard.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Governmental Activities. Governmental activities increased the County's net position by \$2,303,722 during the current fiscal year. The County recorded a prior period adjustment in the amount of \$8,677,930 for recognized revenue reported as unearned in a prior period.

	<u>2018</u>	<u>2017</u>
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	\$ 20,837,679	\$ 19,428,791
Operating Grants and Contributions	130,233,967	115,676,978
Capital Grants and Contributions	3,756,073	4,974,165
General Revenues		
Property Taxes	50,489,879	48,171,243
Sales and Use Taxes	17,480,122	14,912,062
Other Taxes	7,707,358	5,655,736
Unrestricted Interest and Investment Earnings	1,396,175	718,960
Miscellaneous	<u>2,638,324</u>	<u>2,294,003</u>
Total Revenues	234,539,577	211,831,938
 EXPENSES		
General Government	18,343,028	19,054,243
Public Protection	69,948,584	64,848,606
Public Ways and Facilities	13,277,100	14,232,506
Health and Sanitation	49,695,464	30,903,527
Public Assistance	72,611,213	70,005,660
Education	3,811,960	3,684,889
Recreation and Cultural Services	461,262	536,437
Interest on Long-Term Debt	<u>4,087,244</u>	<u>4,252,132</u>
Total Expenses	<u>232,235,855</u>	<u>207,518,000</u>
 CHANGE IN NET POSITION	2,303,722	4,313,938
Net Position - Beginning of Year, as Previously Stated	(35,389,794)	(39,703,732)
Prior Period Adjustment	<u>8,677,930</u>	<u>-</u>
Net Position - Beginning of Year, Restated	<u>(26,711,864)</u>	<u>(39,703,732)</u>
 NET POSITION - END OF YEAR	<u><u>\$ (24,408,142)</u></u>	<u><u>\$ (35,389,794)</u></u>

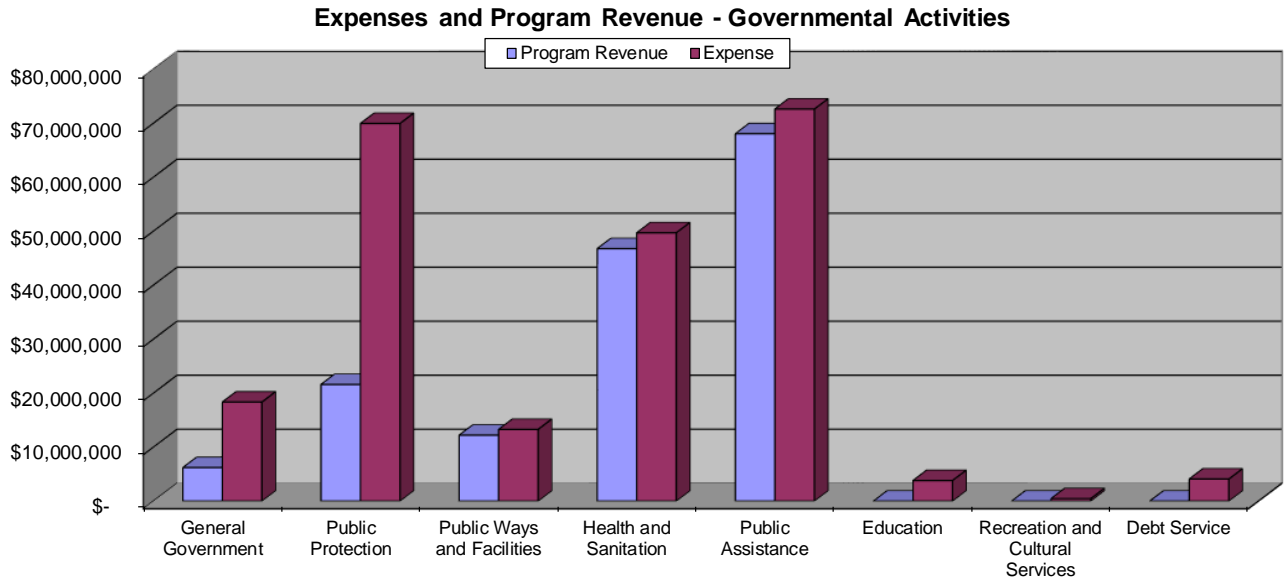
Revenues increased by \$22.7 million from the prior year primarily due to increases in operating grants and contributions of \$14.6 million. Property taxes increased by \$2.3 million mostly due to the growth in County assessed valuation. Sales and use taxes increased by \$2.6 million in part due to the passage of local measure B mental health treatment act.

Expenses increased by \$24.7 million. The majority of increases were in health and sanitation, which increased by \$18.8 million. Public Protection and Public Assistance also had moderate increases of \$5.1 million and \$2.6 million, respectively. All increases were primarily due to increases in salaries and benefits.

Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

As shown in the following chart, program revenues are less than the expenses in all functional areas.

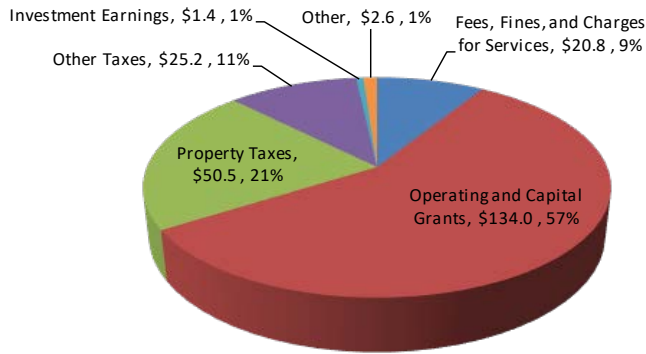


Expenses and Program Revenue

<u>Governmental Functions</u>	<u>Program Revenue</u>	<u>Expense</u>
General Government	\$ 6,203,813	\$ 18,343,028
Public Protection	21,607,592	69,948,584
Public Ways and Facilities	12,205,739	13,277,100
Health and Sanitation	46,769,128	49,695,464
Public Assistance	68,041,447	72,611,213
Education	-	3,811,960
Recreation and Cultural Services	-	461,262
Debt Service	-	4,087,244

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Revenues by Source (in millions) - Governmental Activities



The largest portion of revenue received by the County comes from federal and state sources (approximately 57%). The second largest source comes from property taxes (21%). However, it should be noted that of every \$1.00 collected in property tax approximately 63% benefits schools, with 30% going toward the funding of County services and programs. Cities receive 2% and Special Districts receive 5%. Only 34% of total revenue received is discretionary (not dedicated to particular services/programs).

Business-type activities. None of the County's funds are classified as business-type activities.

Financial Analysis of the Government's Funds. As noted earlier, the County uses fund accounting to ensure and demonstrate compliance 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$76,233,647, a decrease of \$(3,909,554) from the prior year after the prior period adjustment. Refer to note 8 of the Notes to the Financial Statements for the detail of the prior period adjustment. The components of total fund balance are as follows:

- Nonspendable fund balance, \$728,013, consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventories, prepaid expenses, and imprest cash.
- Restricted fund balance, \$38,356,093, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of funds (i.e., health coverage, mental health, roads) \$19,236,441, (2) debt service \$2,006,586 and pension obligation \$8,302,305, (3) amounts restricted for various other purpose restrictions \$8,810,761.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

- Assigned fund balance, \$30,213,244, represents amounts that are intended for a specific purpose and are established by the Board of Supervisors or an official body delegated by the Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.
- Unassigned fund balance, \$6,936,297, represents the General Fund's resources that are not classified in the three previous components and are considered available for spending at the government's discretion.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the General Fund's total fund balance was \$43,771,901, and represents a decrease of \$(1,493,046) during the 2017/18 fiscal year after the prior period adjustment. The nonspendable portion of the total fund balance for the General Fund was \$138,794, while the spendable portion was \$43,633,107. As a measure of the General Fund's liquidity, it may be useful to compare both the total fund balance and the spendable fund balance to the total fund expenditures of \$165,707,756. Spendable fund balance represents 26.3% of total fund expenditures, while total fund balance represents 26.4% of the same amount.

The debt service fund had a total fund balance of \$2,006,586, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$16,528. Interest expenditures for the debt service fund decreased during the current period by \$(32,550).

The pension obligation fund had a total fund balance of \$8,302,305, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$1,114,376. Interest expenditures for the pension obligation fund decreased during the current period by \$(248,814).

The mental health services fund had a total fund balance of \$5,395,365. The net decrease in fund balance during the current year was \$(6,016,587). This decrease is mainly due to adjusting mental health revenue to unavailable revenue at June 30, 2018.

The road fund had a total fund balance of \$7,359,735. The net increase for the year was \$204,260.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the internal service funds at the end of the year amounted to \$11,050,704.

General Fund Budgetary Highlights. Difference between the original budget and the final amended budget is summarized below:

- Increase to Disaster Recovery budgeted revenue (operating transfer in) by \$376,080 for unanticipated costs related to the October 2017 wildfires throughout Mendocino County. \$376,080 of funds was transferred from Non Departmental Expenditures (operating transfer out) to fund this adjustment.
- Increase to Court Collections-AB233 Program budgeted appropriations by \$704,752 to cover a state court revenue audit finding that the county had not forward the appropriate amount of fines

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

during FYs 2008 through 2015. Funds from Superior Court and General Fund covered this finding.

- Increase in Planning and Building budgeted appropriations by \$150,871 for unanticipated Cannabis Overlay Contract costs during 2017/18.
- Increase in Cannabis Management budgeted appropriations by \$250,000 for creation of the new department including staffing requirements during 2017/18.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$120,725,435 (net of accumulated depreciation).

This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was \$7,048,380 (6.20%). Additional details of capital assets are in Note 5.

	2018	2017
CAPITAL ASSETS		
Land	\$ 2,928,621	\$ 2,928,621
Structures and Improvements	38,432,234	35,715,378
Improvements Other than Buildings	1,307,624	1,427,854
Equipment	8,890,135	8,570,419
Infrastructure	53,772,112	51,742,468
Construction in Progress	15,394,709	13,292,315
Total Capital Assets	\$ 120,725,435	\$ 113,677,055

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of \$73,415,000.

	2018	2017
OUTSTANDING DEBT		
General Obligation Bonds	\$ 55,135,000	\$ 59,765,000
Certificates of Participation	18,280,000	19,395,000
Total	\$ 73,415,000	\$ 79,160,000

The County's total long term debt decreased by \$5,745,000 (7.26%) during the current fiscal year. The key factor in this decrease was an increase in principal payments on both the pension obligation bonds and the certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its total assessed valuation of property within the County. The current debt limitation for the County is \$142,145,393.

Additional information on the County's long-term debt can be found in Note 6 of this report.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Economic Analysis and Next Year's Budget.

The County is committed to providing services with integrity, collaboration, professionalism, accountability and responsiveness, and these values are reflected in the Fiscal Year 2018-19 budget which represents conservative growth compared to Fiscal Year 2017-18 budget. The County's conservative approach to budgeting has ensured its ability to sustain fiscal health in recent years and will be central to the County's ability to respond to potential changes in State and Federal policy.

All of the factors listed below were considered in preparing the County's budget for the 2018/19 fiscal year.

- In FY 2017-18 the Board of Supervisors approved several labor agreements with employee bargaining units which included cost of living adjustments, employee stipends, as well as longevity. These agreements reflect a dedication from the Board and the importance of investment in County employees. The FY 2018-19 total salaries and benefits are budgeted at \$124,600,946, representing an increase of \$5,904,227 (4.9%) over the previous year.
- The discretionary revenue trends remain steady with small increases in the major revenue streams (Property Tax, Sales Tax, and Occupancy Tax). The FY 2018-19 total discretionary revenues are budgeted at \$66,791,000, representing an increase of \$2,253,384 (3.5%) over the previous year.
- On March 13, 2018, the Board of Supervisors directed the creation of a Disaster Recovery Budget Unit with a FY 2017-18 allocation of \$376,000 to support fire recovery efforts throughout the County. The FY 2018-19 total Disaster Recovery Program is budgeted at \$1,099,842.
- The largest new program undertaken by the County in many years is the new Cannabis Management Program. Proposition 64 and the Medical Cannabis Safety Act, provides a comprehensive regulatory framework, including license categories for cultivation, nursery, manufacturer, testing, retail/dispensary, distribution, and microbusiness. The FY 2018-19 total Cannabis Management appropriations are budgeted at \$874,575.

Requests for Information. The financial report is designed to provide a general overview of the County'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 Mendocino County Auditor-Controller, 501 Low Gap Road, Room 1080, Ukiah, California 95482. This report is also available online at www.mendocinocounty.org/government/auditor-controller.

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 83,173,923
Cash with Fiscal Agent	8,406,712
Other Cash	38,116
Accounts Receivable	1,268,126
Due from Other Governments	24,520,732
Taxes Receivable	4,346,430
Inventories	728,013
Capital Assets:	
Nondepreciable	18,323,330
Depreciable, Net	102,402,105
Total Assets	243,207,487
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pensions	38,630,790
LIABILITIES	
Accounts Payable	14,032,597
Salaries and Benefits Payable	4,267,774
Interest Payable	1,616,334
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,150,000
Bonds Payable	4,885,000
Liability for Compensated Absences	4,746,975
Claims Liability	3,434,055
Portion Due or Payable After One Year:	
Certificates of Participation	17,130,000
Bonds Payable	50,250,000
Closure/Post-Closure Liability	10,352,154
Net Pension Liability	186,099,824
Total Liabilities	297,964,713
DEFERRED INFLOWS OF RESOURCES	
Deferred Pensions	8,281,706
NET POSITION	
Net Investment in Capital Assets	102,445,435
Restricted for:	
Legally Segregated Taxes, Grants, and Fees	41,486,899
Debt Service and Capital Projects	8,692,557
Unrestricted	(177,033,033)
Total Net Position	\$ (24,408,142)

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	\$ 18,343,028	\$ 4,403,248	\$ 1,760,758	\$ 39,807	\$ (12,139,215)
Public Protection	69,948,584	9,625,994	11,922,044	59,554	(48,340,992)
Public Ways and Facilities	13,277,100	325,492	8,223,535	3,656,712	(1,071,361)
Health and Sanitation	49,695,464	5,943,977	40,825,151	-	(2,926,336)
Public Assistance	72,611,213	538,968	67,502,479	-	(4,569,766)
Education	3,811,960	-	-	-	(3,811,960)
Recreation and Culture	461,262	-	-	-	(461,262)
Debt Service:					
Interest	4,087,244	-	-	-	(4,087,244)
	<u>\$ 232,235,855</u>	<u>\$ 20,837,679</u>	<u>\$ 130,233,967</u>	<u>\$ 3,756,073</u>	<u>(77,408,136)</u>
GENERAL REVENUES					
Taxes:					
Property Taxes					50,489,879
Sales and Use Taxes					17,480,122
Transient Occupancy Tax					5,682,028
Other					2,025,330
Unrestricted Interest and Investment Earnings					1,396,175
Miscellaneous					2,638,324
Total General Revenues					<u>79,711,858</u>
CHANGE IN NET POSITION					
					2,303,722
Net Position - Beginning of Year, Restated					<u>(26,711,864)</u>
NET POSITION - END OF YEAR					
					<u>\$ (24,408,142)</u>

See accompanying Notes to Financial Statements.

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

**COUNTY OF MENDOCINO
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Pension Obligation Bonds</u>	<u>Mental Health Services</u>
ASSETS				
Pooled Cash and Investments in Treasury	\$ 40,976,501	\$ 5,274	\$ 1,857,098	\$ 10,335,873
Restricted Assets:				
Cash with Fiscal Agent	-	1,961,505	6,445,207	-
Imprest Cash	4,420	-	-	-
Accounts Receivable	492,691	-	-	16,673
Taxes Receivable	2,794,423	-	-	288,365
Due from Other Governments	14,717,511	39,807	-	4,502,964
Inventory	138,794	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 59,124,340</u>	<u>\$ 2,006,586</u>	<u>\$ 8,302,305</u>	<u>\$ 15,143,875</u>
LIABILITIES				
Accounts Payable	\$ 5,708,891	\$ -	\$ -	\$ 5,156,214
Accrued Salaries and Benefits	3,744,160	-	-	105,501
Total Liabilities	<u>9,453,051</u>	<u>-</u>	<u>-</u>	<u>5,261,715</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	5,899,388	-	-	4,486,795
Total Deferred Inflows of Resources	<u>5,899,388</u>	<u>-</u>	<u>-</u>	<u>4,486,795</u>
FUND BALANCES				
Nonspendable	138,794	-	-	-
Restricted	7,070,560	2,006,586	8,302,305	5,395,365
Assigned	29,626,250	-	-	-
Unassigned	6,936,297	-	-	-
Total Fund Balances	<u>43,771,901</u>	<u>2,006,586</u>	<u>8,302,305</u>	<u>5,395,365</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 59,124,340</u>	<u>\$ 2,006,586</u>	<u>\$ 8,302,305</u>	<u>\$ 15,143,875</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Road	Other Governmental Funds	Total
ASSETS			
Pooled Cash and Investments in Treasury	\$ 7,974,992	\$ 7,459,545	\$ 68,609,283
Restricted Assets:			
Cash with Fiscal Agent	-	-	8,406,712
Imprest Cash	50	595	5,065
Accounts Receivable	8,008	597,665	1,115,037
Taxes Receivable	2,353	1,261,289	4,346,430
Due from Other Governments	4,219,093	1,041,357	24,520,732
Inventory	589,219	-	728,013
Total Assets	\$ 12,793,715	\$ 10,360,451	\$ 107,731,272
LIABILITIES			
Accounts Payable	\$ 2,236,210	716,912	\$ 13,818,227
Accrued Salaries and Benefits	222,480	167,560	4,239,701
Total Liabilities	2,458,690	884,472	18,057,928
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	2,975,290	78,224	13,439,697
Total Deferred Inflows of Resources	2,975,290	78,224	13,439,697
FUND BALANCES			
Nonspendable	589,219	-	728,013
Restricted	6,770,516	8,810,761	38,356,093
Assigned	-	586,994	30,213,244
Unassigned	-	-	6,936,297
Total Fund Balances	7,359,735	9,397,755	76,233,647
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,793,715	\$ 10,360,451	\$ 107,731,272

See accompanying Notes to Financial Statements.



**COUNTY OF MENDOCINO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Fund Balance - Total Governmental Funds \$ 76,233,647

Amounts reported for governmental activities in the Statement of Net Position are different because:

Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds. 13,439,697

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 120,103,152

Deferred outflows of resources reported in the Statement of Net Position. 38,630,790

Internal service funds are used by the County to charge the cost of insurance, software acquisition and vehicle replacement services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: 11,672,987

Deferred inflows of resources reported in the statement of net position. (8,281,706)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position.

Bonds Payable	(55,135,000)
Certificates of Participation	(18,280,000)
Accrued Interest on Long-Term Debt	(1,616,334)
Compensated Absences	(4,723,397)
Pension Liability	(186,099,824)
Landfill Closure/Post Closure Care Costs	<u>(10,352,154)</u>

Net Position of Governmental Activities \$ (24,408,142)

**COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
REVENUES				
Taxes	\$ 71,830,470	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	3,968,203	-	-	-
Intergovernmental	88,774,865	39,807	-	20,832,699
Revenue from Use of Money and Property	1,022,576	(3,360)	(28,820)	65,936
Fines, Forfeitures, and Penalties	1,269,904	11,400	-	-
Charges for Services	12,827,305	-	-	1,713,645
Other Revenues	1,451,888	-	394,506	93,924
Total Revenues	<u>181,145,211</u>	<u>47,847</u>	<u>365,686</u>	<u>22,706,204</u>
EXPENDITURES				
Current:				
General Government	15,601,912	3,420	4,570	-
Public Protection	59,526,050	-	-	-
Public Ways and Facilities	146,163	-	-	-
Health and Sanitation	15,805,380	-	-	29,427,778
Public Assistance	68,905,957	-	-	-
Education	219,448	-	-	-
Recreation and Culture	403,385	-	-	-
Debt Service:				
Principal	-	1,115,000	4,630,000	-
Interest	223,527	753,635	3,240,890	-
Capital Outlay	4,875,934	-	-	-
Total Expenditures	<u>165,707,756</u>	<u>1,872,055</u>	<u>7,875,460</u>	<u>29,427,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,437,455	(1,824,208)	(7,509,774)	(6,721,574)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,432,839	1,840,736	8,624,150	1,215,771
Transfers out	(18,363,340)	-	-	(510,784)
Total Other Financing Sources (Uses)	<u>(16,930,501)</u>	<u>1,840,736</u>	<u>8,624,150</u>	<u>704,987</u>
NET CHANGES IN FUND BALANCES	(1,493,046)	16,528	1,114,376	(6,016,587)
Fund Balances - Beginning of Year, Restated	<u>45,264,947</u>	<u>1,990,058</u>	<u>7,187,929</u>	<u>11,411,952</u>
FUND BALANCES - END OF YEAR	<u>\$ 43,771,901</u>	<u>\$ 2,006,586</u>	<u>\$ 8,302,305</u>	<u>\$ 5,395,365</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Road	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 64,140	\$ 3,782,749	\$ 75,677,359
Licenses, Permits, and Franchises	61,310	331,897	4,361,410
Intergovernmental	9,993,928	6,456,070	126,097,369
Revenue from Use of Money and Property	89,667	72,361	1,218,360
Fines, Forfeitures, and Penalties	43,366	149,935	1,474,605
Charges for Services	220,816	376,583	15,138,349
Other Revenues	20,063	110,359	2,070,740
Total Revenues	<u>10,493,290</u>	<u>11,279,954</u>	<u>226,038,192</u>
EXPENDITURES			
Current:			
General Government	-	122,535	15,732,437
Public Protection	-	2,954,954	62,481,004
Public Ways and Facilities	15,151,620	51,707	15,349,490
Health and Sanitation	-	3,176,841	48,409,999
Public Assistance	-	30,211	68,936,168
Education	-	3,303,457	3,522,905
Recreation and Culture	-	1,773	405,158
Debt Service:			
Principal	-	-	5,745,000
Interest	-	-	4,218,052
Capital Outlay	-	421,487	5,297,421
Total Expenditures	<u>15,151,620</u>	<u>10,062,965</u>	<u>230,097,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,658,330)	1,216,989	(4,059,442)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,396,219	1,676,321	20,186,036
Transfers out	(533,629)	(628,395)	(20,036,148)
Total Other Financing Sources (Uses)	<u>4,862,590</u>	<u>1,047,926</u>	<u>149,888</u>
NET CHANGES IN FUND BALANCES	204,260	2,264,915	(3,909,554)
Fund Balances - Beginning of Year, Restated	<u>7,155,475</u>	<u>7,132,840</u>	<u>80,143,201</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,359,735</u>	<u>\$ 9,397,755</u>	<u>\$ 76,233,647</u>

See accompanying Notes to Financial Statements.



COUNTY OF MENDOCINO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF
ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2018

Net Change to Fund Balance - Total Governmental Funds \$ (3,909,554)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital asset additions 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.

Expenditures for General Capital Assets, Infrastructure, and Other			
Related Capital Assets Adjustments	\$ 13,677,266		
Less: Current Year Depreciation	<u>(6,782,218)</u>		6,895,048

Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.			7,755,986
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal and Refunded Debt Repayments:			
Bonds Payable		4,630,000	
Certificates of Participation		<u>1,115,000</u>	5,745,000

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 on Long-Term Debt		130,808	
Change in Compensated Absences		(254,937)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows		(13,464,554)	
Change in Liability for Closure/Post Closure Care		<u>335,202</u>	(13,253,481)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.			<u>(929,277)</u>
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Change in Net Position of Governmental Activities \$ 2,303,722

**COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	Governmental Activities
	Internal Service Funds
ASSETS	
CURRENT ASSETS	
Pooled Cash and Investments in Treasury	\$ 14,559,575
Other Cash	38,116
Accounts Receivable	153,089
Total Current Assets	14,750,780
NONCURRENT ASSETS	
Capital Assets:	
Nondepreciable	189,485
Depreciable, Net	432,798
Total Noncurrent Assets	622,283
Total Assets	15,373,063
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	214,370
Accrued Salaries and Benefits	28,073
Compensated Absences	23,578
Liability for Unpaid Claims	3,434,055
Total Current Liabilities	3,700,076
Total Liabilities	3,700,076
NET POSITION	
Net Investment in Capital Assets	622,283
Unrestricted	11,050,704
Total Net Position	\$ 11,672,987

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 18,732,612
Other Revenues	<u>176,880</u>
Total Operating Revenues	18,909,492
OPERATING EXPENSES	
Salaries and Employee Benefits	775,794
Services and Supplies	1,299,560
Insurance	6,270,932
Depreciation	175,206
Claims and Judgments	<u>11,912,788</u>
Total Operating Expenses	<u>20,434,280</u>
OPERATING INCOME (LOSS)	(1,524,788)
NONOPERATING REVENUES (EXPENSES)	
Other Revenue	567,584
Interest Income	<u>177,815</u>
Total Nonoperating Revenues (Expenses)	<u>745,399</u>
INCOME (LOSS) BEFORE TRANSFERS	(779,389)
TRANSFERS IN	807,000
TRANSFERS OUT	<u>(956,888)</u>
CHANGE IN NET POSITION	(929,277)
Net Position - Beginning of Year	<u>12,602,264</u>
NET POSITION - END OF YEAR	<u><u>\$ 11,672,987</u></u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Interfund Services Provided	\$ 18,757,768
Cash Paid to Employees for Services	(778,964)
Cash Paid to Suppliers for Goods and Services	(19,636,425)
Net Cash Provided (Used) by Operating Activities	<u>(1,657,621)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Receipts	567,584
Advances from Other Funds	(42,486)
Transfers in	807,000
Transfers out	(956,888)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>375,210</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(328,538)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(328,538)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	177,815
Net Cash Provided (Used) by Investing Activities	<u>177,815</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,433,134)</u>
Cash and Cash Equivalents - Beginning of Year	<u>16,030,825</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 14,597,691</u>
Pooled Cash and Investments in Treasury	\$ 14,559,575
Other Cash	38,116
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 14,597,691</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (1,524,788)
Adjustments to Reconcile Operating Income to Net	
Cash Provided (Used) by Operating Activities:	
Depreciation	175,206
Changes in Assets and Liabilities:	
(Increase) decrease in:	
Accounts Receivable	(151,724)
Increase (Decrease) in:	
Accounts Payable	(28,985)
Accrued Salaries	(3,590)
Compensated Absences	420
Claims Liability	(124,160)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,657,621)</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

	Investment Trust	Agency Funds	Pension Trust Fund
ASSETS			
Cash and Investments in Treasury	\$ 144,672,496	\$ 13,876,021	\$ 1,990,220
Other Investments	-	-	518,368,665
Accounts Receivable	-	-	1,135,919
Taxes Receivable	-	11,969,586	-
Other Assets	-	-	476,299
Total Assets	144,672,496	25,845,607	521,971,103
LIABILITIES			
Accounts Payable and Accrued Expenses	-	-	1,541,142
Agency Funds Held for Others	-	25,845,607	-
Total Liabilities	-	25,845,607	1,541,142
NET POSITION			
Net Position Held in Trust for:			
Retirement System	-	-	520,429,961
Investment Pool Participants	144,672,496	-	-
Total Net Position	\$ 144,672,496	\$ -	\$ 520,429,961

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Investment Trust	Pension Trust Fund
ADDITIONS		
Contributions:		
Employer Contributions	\$ -	\$ 20,430,644
Member Contributions	-	5,996,462
Contributions on Pooled Investments	452,433,863	-
Interest and Investment Income - Net	1,619,986	46,196,826
Investment expense	-	(924,841)
Total Additions	454,053,849	71,699,091
 DEDUCTIONS		
Benefit Payments	-	33,331,909
Distributions from Investment Pool	448,040,260	1,963,938
Total Deductions	448,040,260	35,295,847
 CHANGE IN NET POSITION	6,013,589	36,403,244
Net Position - Beginning of Year	138,658,907	484,026,717
 NET POSITION - END OF YEAR	\$ 144,672,496	\$ 520,429,961

See accompanying Notes to Financial Statements.



NOTES TO BASIC FINANCIAL STATEMENTS

The notes provided in the financial section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of significant accounting policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.



COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The County of Mendocino (the County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County supervisors.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year-end.

Blended Component Units

The Alexander Estates Lighting District, Covelo Lighting District, Fairview Acres Lighting District, Hopland Lighting District, Laytonville Lighting District, Noyo Lighting District, Oak Knoll Lighting District, Riverwood Terrace Lighting District, Ukiah Village Lighting District, West Talmage Lighting District, Lakewood Lighting District, Meadowbrook Manor Sanitation District, Mendocino County Air Quality Management District, and Mendocino County Public Facilities Corporation are districts and a corporation governed by the County board of supervisors. The component unit's governing body is substantially the same as the primary government, hence, these units are presented by blending them with the primary government.

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities that report 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 have been made to minimize the double counting of internal activities.

These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. At June 30, 2018, the County had no business-type activities.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions, and therefore, are clearly identifiable to a particular function and allocated indirect expenses. Direct expenses also include each function's allocated share of indirect expenses. Program revenues include 1) fees, fines and 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.

When both restricted and unrestricted net position is available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – *governmental, proprietary, and fiduciary* – even though the latter are excluded from the government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a single column. All remaining governmental 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 include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreational services.
- The *Debt Service Fund* is used to accumulate funds for the payment of debt service on the Certificates of Participation.
- The *Pension Obligation Bonds Fund* is used to accumulate funds for the payment of debt service on the Pension Obligation Bonds. Deposits are made on each pay period from amounts charged to the individual departments, based on retirement participation.
- The *Mental Health Services Fund* is a special revenue fund whose revenues are legally restricted for specified mental health purposes. The financial activities of the

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003.

- The *Road Fund* is a special revenue fund that provides for planning, design, construction, maintenance, and administration of County maintained roads. Revenues consist primarily of highway user taxes and other intergovernmental revenues.

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the County's vehicle replacement and software acquisition services provided to other departments or to other governments and self-insurance programs – unemployment, general liability, workers' compensation, and health insurance benefits, on a cost-reimbursement basis.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for various local governments.
- The *Pension Trust Fund* accounts for the pooled cash held in the County Treasury for the Mendocino County Employees' Retirement Association.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund 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, revenue from property taxes is 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be measurable and available. All other revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related 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 as expenditures only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

D. Cash and Investments

Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired.

The County follows the practice of pooling cash and investments which represent deposits, time certificates of deposit, medium term notes, and U.S. Government securities. The securities are stated at amortized cost, which approximates market.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's Investment Pool, to be cash equivalents.

F. Receivables

Receivables consist mostly of amounts due from other agencies. Management believes its receivables are fully collectible and accordingly, no allowance for doubtful accounts is required.

G. Inventories

Inventories are valued at average cost. Inventories in the Road Fund consist of road supplies, fuel and various consumable items. Inventories in the General Fund consist of office supplies. Inventory recorded by governmental funds are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by nonspendable fund balance to indicate that portion of fund balance is not in spendable form.

H. Restricted Assets

The County has \$8,406,712 restricted cash deposited with fiscal agents to meet Certificates of Participation, Pension Obligation Bond and other long-term debt reserve fund requirements.

I. Net Position/Fund Balance

Net Position

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, and unrestricted.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds consist of the following categories:

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.
- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors with a 4/5 vote. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- *Assigned Fund Balance* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purposes.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

In Proprietary fund financial statements net position are accounted for the same as in the government-wide statements.

J. Property Tax Revenue

Property taxes attach as an enforceable lien at January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor's Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the state of California. County property tax revenues are recognized when levied in accordance with the alternative method of property tax allocation (Teeter Plan).

Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all of the current tax levy is distributed to all participating entities. The County then receives delinquent penalties and fees on the entire participating tax roll.

The County maintains 25% of the total delinquent secured taxes for participating entities in the County, as calculated at the end of the fiscal year, in the tax loss reserve fund. The balance in the fund was approximately \$1,262,715 at year-end.

K. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure (Except for the Maintained Pavement Subsystem)	20 to 50 Years
Structures and Improvements	10 to 40 Years
Equipment	3 to 10 Years

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element,

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

deferred outflows or resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item, pension, which qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of item which qualify for reporting in this category: pensions and unavailable revenue. The item, *unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenue and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Mendocino County Employees' Retirement Association (MCERA).

The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plan with MCERA and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by MCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Estimates

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

NOTE 2 CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County treasurer for the purpose of securing and protecting the public funds of the County and other participants. Funds not immediately required for daily operations are invested in an attempt to earn a yield commensurate to current conditions. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California Statutes require certain special districts and other governmental entities to maintain their cash surplus with the County treasurer.

Cash and investments held by fiscal agents outside of the County’s investment pool are restricted as to its use. It consists of funds designated by debt agreements as reserve funds.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the treasurer are regulated by the California Government Code and by the County’s investment policy. The objectives of the policy are in order of priority: safety, liquidity, yield, and public trust.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

The Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the investment pool participants every quarter. The report covers the types of investments in the pool, maturity dates, par value, actual costs, and fair value.

At June 30, 2018, total County cash and investments were as follows:

Cash:	
Cash on Hand	\$ 665,883
Imprest Cash	5,065
Other Cash	38,116
Deposits Less Outstanding Warrants	<u>15,111,686</u>
Total Cash	15,820,750
Investments:	
In Treasurer's Pool	227,930,026
With Fiscal Agents	8,406,712
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	<u>518,368,665</u>
Total Investments	<u>754,705,403</u>
Total Cash and Investments	<u><u>\$ 770,526,153</u></u>

Total cash and investments at June 30, 2018, were presented on the County's financial statements as follows:

Primary Government	\$ 91,618,751
Investment Trust Fund	144,672,496
Pension Trust Fund	520,358,885
Agency Funds	<u>13,876,021</u>
Total Cash and Investments	<u><u>\$ 770,526,153</u></u>

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits.

At June 30, 2018, the carrying value of the County's deposits was \$15,066,452 and the bank balance was \$23,645,410. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Corporation (FDIC) and the remainder was covered by the multiple financial institution collateral pool that insures public deposits.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk. The County annually adopts a "Statement of Investment Policy." The policy is based on criteria established by government code and adds further restrictions as to the types of investments allowed, concentration limits, and maximum terms.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds and Obligations	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State of California Obligations	5 Years	None	None
California Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	25%
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	270 Days	40%	5%
Negotiable Certificates of Deposit/CD Placement Service	5 Years	30%	5%
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements		Prohibited	
Medium-Term Corporate Notes	5 Years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 Years	None	None
Mortgage Pass-Through Securities	5 Years	20%	5%
Bank/Time Deposits	5 Years	20%	5%
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool (includes CAMP)	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 Years	30%	10%

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

At June 30, 2018, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Investment Pool:					
Federal Agency Obligations	0.875% - 2.125%	9/14/2018 - 6/10/2022	63,840,000	63,735,950	1.85
Commercial Paper	2.19% - 2.37%	7/24/18 - 10/29/18	13,300,000	13,241,561	0.19
Treasury Obligations	1.00% - 2.25%	10/25/2018- 12/31/2021	34,100,000	33,977,389	1.52
Medium Term Corporate Notes	1.25% - 3.25%	5/10/2019 - 5/16/2022	30,970,000	30,931,346	2.27
Negotiable CD	1.57% - 2.68%	8/9/2018 - 5/24/2019	6,100,000	6,099,855	0.29
Supranational	1.125% - 2.25%	10/7/2019 - 9/4/2022	10,945,000	10,746,117	2.73
Time Deposit	0.35% - 0.598%	3/3/2019 - 3/20/2019	500,000	500,000	0.70
Money Market Mutual Funds	Variable	On Demand	697,808	697,808	
California Local Agency Investment Fund (LAIF)	Variable	On Demand	65,000,000	65,000,000	
California Asset Management Program	Variable	On Demand	3,000,000	3,000,000	
			<u>228,452,808</u>	<u>227,930,026</u>	
Investments Outside Investment Pool:					
Cash Held with Fiscal Agent					
Pension Trust Fund (Held by MCERA)	Variable	N/A	518,368,665	518,368,665	
Money Market Mutual Funds	Variable	On Demand	8,406,712	8,406,712	
Total Investments			<u>\$ 755,228,185</u>	<u>\$ 754,705,403</u>	

For information regarding investments held by the Pension Trust refer to the Mendocino County Employees' Retirement Association financial statements which may be obtained by contacting the Retirement office at 625B Kings Court, Ukiah, California, 95482.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to provide the necessary cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the rating of A1 by *Standards & Poor's* or P-1 by *Moody's Investors Service*. State law also limits investments in corporate bonds to the rating of A or better by *Standard & Poor's* and *Moody's Investors Service* for a maturity of up to five years.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Concentration of Credit Risk

At June 30, 2018, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: 12.56% (\$32,368,251), Federal Home Loan Banks; and 5.73% (\$14,718,441), Federal Home Loan Mortgage Corporation.

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1 - Investments reflect prices quoted in active markets;

Level 2 - Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and,

Level 3 - Investments reflect prices based upon unobservable sources.

The pool has the following recurring fair value measurements as of June 30, 2018:

	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Federal Agency Obligations	\$ 63,735,950	\$ -	\$ 63,735,950	\$ -
Commercial Paper	13,241,561	-	13,241,561	-
Treasury Obligations	33,977,389	-	33,977,389	-
Medium Term Corporate Notes	30,931,346	-	30,931,346	-
Negotiable CD	6,099,855	-	6,099,855	-
Supranational	10,746,117	-	10,746,117	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	697,808	697,808	-	-
Total Investments Measured at Fair Value	159,930,026	\$ 1,197,808	\$ 158,732,218	\$ -
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	65,000,000			
California Asset Management Program	3,000,000			
Total Pooled and Directed Investments	\$ 227,930,026			

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's carrying value at June 30, 2018:

	<u>Moody's</u>	<u>S & P</u>	<u>% of Portfolio</u>
Investments in Investment Pool:			
Federal agency obligations	Aaa	AA+	27.96%
Commercial Paper	P-1	A-1	3.84%
Commercial Paper	P-1	A-1+	1.97%
Treasury obligations	Aaa	AA+	13.60%
Treasury obligations	P-1	A-1+	1.31%
Medium term notes	A1	A+	4.30%
Medium term notes	A1	AA-	1.57%
Medium term notes	A1	A	2.19%
Medium term notes	A2	A	2.37%
Medium term notes	A2	A+	0.79%
Medium term notes	Aa1	AA+	0.81%
Medium term notes	Aa2	AA	0.66%
Medium term notes	Aaa	AAA	0.88%
Negotiable CD	P-1	A-1	0.66%
Negotiable CD	P-1	A-1+	2.02%
Money market mutual funds	Aaa	AAA	0.31%
Supranational	Aaa	AAA	3.88%
Supranational	Unrated	Unrated	0.84%
Time Deposit	Unrated	Unrated	0.22%
California Local Agency Investment Fund			
State Pool	Unrated	Unrated	28.52%
Public Financial Management CAMP	Unrated	AAA	1.32%
			<u>100.00%</u>

Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, the County's investment pool had no securities exposed to custodial credit risk.

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited with LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer's Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2018, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$65 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$88.82 billion. Of that amount, 2.67% was invested in structured notes and asset-backed securities with the remaining 97.33% invested in other nonderivative financial products.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the investment pool as of June 30, 2018:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 243,707,595</u>
Equity of Internal Pool Participants	\$ 99,035,099
Equity of External Pool Participants	<u>144,672,496</u>
Total Net Position	<u>\$ 243,707,595</u>

Statement of Changes in Net Position

Net Position for Pool Participants at July 1, 2017	\$ 204,544,091
Net Change in Investments by Pool Participants	<u>39,163,504</u>
Net Position at June 30, 2018	<u>\$ 243,707,595</u>

NOTE 3 ENDOWMENTS

For the year ended June 30, 2018, the net appreciation on investments of donor-restricted endowments was \$5,307. Under local ordinances and state statutes, the County is authorized based on a total-return policy to spend the appreciation on the supplies and maintenance of the community libraries and museums.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 INTERFUND TRANSACTIONS

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 1,781,750
	Pension Obligation Bonds Fund	7,682,502
	Mental Health Services Fund	1,215,771
	Road Fund	5,229,996
	Internal Service Funds	777,000
	Other Governmental Funds	<u>1,676,321</u>
		18,363,340
Mental Health Services Fund	General Fund	252,960
	Pension Obligation Bonds Fund	198,838
	Debt Service Fund	<u>58,986</u>
		510,784
Roads Fund	General Fund	139,383
	Pension Obligation Bonds Fund	<u>394,246</u>
		533,629
Nonmajor Governmental Funds	General Fund	338,502
	Pension Obligation Bonds Fund	<u>289,893</u>
		628,395
Internal Service Funds	General Fund	701,994
	Roads Fund	166,223
	Internal Service Funds	30,000
	Pension Obligation Bonds Fund	<u>58,671</u>
		956,888
Total		<u><u>\$ 20,993,036</u></u>

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2018
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,928,621	\$ -	\$ -	\$ -	\$ 2,928,621
Construction in Progress	13,292,315	7,356,792	-	(5,254,398)	15,394,709
Total Capital Assets, Not Being Depreciated	<u>16,220,936</u>	<u>7,356,792</u>	<u>-</u>	<u>(5,254,398)</u>	<u>18,323,330</u>
Capital Assets, Being Depreciated:					
Infrastructure	93,477,661	-	-	4,636,719	98,114,380
Structures and Improvements	78,258,101	4,247,465	-	569,692	83,075,258
Equipment	33,111,798	2,290,456	-	70,153	35,472,407
Improvements Other than Buildings	5,622,285	48,171	-	42,812	5,713,268
Total Capital Assets, Being Depreciated	<u>210,469,845</u>	<u>6,586,092</u>	<u>-</u>	<u>5,319,376</u>	<u>222,375,313</u>
Less Accumulated Depreciation for:					
Infrastructure	(41,735,193)	(2,607,075)	-	-	(44,342,268)
Structures and Improvements	(42,542,723)	(2,100,301)	-	-	(44,643,024)
Equipment	(24,541,379)	(2,039,224)	-	(1,669)	(26,582,272)
Improvements Other than Buildings	(4,194,431)	(210,824)	-	(389)	(4,405,644)
Total Accumulated Depreciation	<u>(113,013,726)</u>	<u>(6,957,424)</u>	<u>-</u>	<u>(2,058)</u>	<u>(119,973,208)</u>
Total Capital Assets, Being Depreciated, Net	<u>97,456,119</u>	<u>(371,332)</u>	<u>-</u>	<u>5,317,318</u>	<u>102,402,105</u>
Governmental Activities Capital Assets, Net	<u>\$ 113,677,055</u>	<u>\$ 6,985,460</u>	<u>\$ -</u>	<u>\$ 62,920</u>	<u>\$ 120,725,435</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 968,408
Public Protection	1,468,288
Public Ways and Facilities	3,216,640
Health and Sanitation	418,239
Public Assistance	606,986
Education	61,716
Recreation and Culture	41,941
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	<u>175,206</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 6,957,424</u>

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 LONG-TERM LIABILITIES

Individual issues of loans, bonds and certificates of participation outstanding at June 30, 2018, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2018
Governmental Activities:					
Taxable Pension Obligation Bonds:					
2002 Series (Issued to Partially Refund the 1996 Series and to Meet the Net Pension Obligation of the County's Retirement Plan)	7/01/2004 - 7/1/2026	2.07% - 5.77%	\$885,000 - \$7,560,000	\$ 91,945,000	\$ 55,135,000
Refunding Certificates of Participation:					
2012 Series (Issued to Refund 2002 and 2000 Series COPs that funded the construction of capital assets)	7/15/2012 - 7/15/2030	1.00% - 4.30%	\$975,000 - \$1,830,000	\$ 25,810,000	\$ 18,280,000

A. Summary of Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities:					
Refunding Certificates of Participation	\$ 19,395,000	\$ -	\$ (1,115,000)	\$ 18,280,000	\$ 1,150,000
Bonds Payable	59,765,000	-	(4,630,000)	55,135,000	4,885,000
Compensated Absences	4,491,618	255,357	-	4,746,975	4,746,975
Liability for Self-Insurance	3,558,215	11,788,628	(11,912,788)	3,434,055	3,434,055
Landfill Postclosure Costs	10,687,356	-	(335,202)	10,352,154	-
Total Governmental Activities	\$ 97,897,189	\$ 12,043,985	\$ (17,992,990)	\$ 91,948,184	\$ 14,216,030

As of June 30, 2018, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30,	Governmental Activities			
	Certificate of Participation		Bonds Payable	
	Principal	Interest	Principal	Interest
2019	1,150,000	\$717,398	\$4,885,000	2,978,276
2020	1,190,000	677,148	5,155,000	2,701,172
2021	1,230,000	635,498	5,440,000	2,408,750
2022	1,280,000	589,372	5,740,000	2,100,182
2023	1,325,000	544,572	6,055,000	1,774,640
2024 - 2028	8,520,000	1,760,024	27,860,000	3,327,559
2029 - 2030	3,585,000	231,090	-	-
Total	\$ 18,280,000	\$5,155,102	\$55,135,000	\$15,290,579

Claims and judgments will be paid from the County's risk management internal service funds. A majority of the claims are paid through internal service fund charges to the general fund and special revenue funds. Compensated absences liabilities will be paid

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

by several of the County's funds, including the general fund, special revenue funds, and other internal service funds.

B. Leases

Operating Leases

The County has signed several operating leases, primarily for office buildings. Terms of the leases are month-to-month or contain early termination clauses. Because of this, the County does not have a definite noncancelable commitment from the various leases. Rental expenditures were approximately \$936,000 during the year ended June 30, 2018.

C. Compensated Absences

Vacation – employees accrue vacation at varying rates depending on the length of an employee's service. Upon termination unused vacation, up to accrual limits, is paid off in cash. Sick leave – all employees accrue sick leave at the rate of 15 days per year. Sick leave may be accrued without limit. Upon termination, unused sick leave will be applied toward length of service for retirement credit. Holidays must be taken within the calendar year and are not accruable. The County records the gross vacation liability. At fiscal year end, the total liability for compensated absences was \$4,746,975. The entire amount was considered current, based on experience.

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal law and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,352,154 reported as landfill closure/postclosure liability at June 30, 2018, represents the cumulative amount reported to date based on the use of various percents of the estimated capacity of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The following information pertains to the various landfills in the County:

Location	Ownership of Landfill	Percent Filled	Expected Closure Date	Estimated Liability at June 30, 2018
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	Closed	\$ 2,411,614
South Coast Landfill	Mendocino County	100%	Closed	5,463,573
Laytonville Landfill	Mendocino County	100%	Closed	2,476,967
Total				<u>\$ 10,352,154</u>

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2018, investments of \$3,567,190 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. The County expects that future inflation costs will be paid from interest earnings on

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Casper Landfill is officially closed. The County is in the process of closing South Coast Landfill and Laytonville Landfill and they are no longer accepting waste from the public.

NOTE 8 NET POSITION/FUND BALANCES

Net Position

Net investment in capital assets was comprised of the following:

	Governmental Activities
Capital Assets Net of Accumulated Depreciation	120,725,435
Outstanding Principal of Capital-Related Debt	(18,280,000)
Net Position, Net Investment in Capital Assets	102,445,435

Fund Balances

Details of the fund balance classifications of governmental funds as of June 30, 2018 are as follows:

	General	Debt Service	Pension Obligation Bonds	Mental Health Services	Road	Other Governmental Funds	Total
Nonspendable							
Inventory	\$ 138,794	\$ -	\$ -	\$ -	\$ 589,219	\$ -	\$ 728,013
Restricted for:							
Road Projects	-	-	-	-	6,770,516	-	6,770,516
Public Protection	1,748,530	-	-	-	-	-	1,748,530
Public Assistance	4,413,432	-	-	-	-	-	4,413,432
Health Services	908,598	-	-	-	-	-	908,598
Mental Health	-	-	-	5,395,365	-	1,407,623	6,802,988
Special Districts	-	-	-	-	-	1,964,818	1,964,818
Various Grant							
Programs	-	-	-	-	-	4,224,680	4,224,680
Disaster Recovery	-	-	-	-	-	456,798	456,798
Endowments	-	-	-	-	-	756,842	756,842
Debt Service	-	2,006,586	8,302,305	-	-	-	10,308,891
Total Restricted	7,070,560	2,006,586	8,302,305	5,395,365	6,770,516	8,810,761	38,356,093
Assigned:							
Retirement	3,650,000	-	-	-	-	-	3,650,000
General reserve	11,626,325	-	-	-	-	-	11,626,325
Contracted services	14,349,925	-	-	-	-	586,994	14,936,919
Total Assigned	29,626,250	-	-	-	-	586,994	30,213,244
Unassigned	6,936,297	-	-	-	-	-	6,936,297
Total Fund Balance	\$ 43,771,901	\$ 2,006,586	\$ 8,302,305	\$ 5,395,365	\$ 7,359,735	\$ 9,397,755	\$ 76,233,647

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

Prior Period Adjustment

Adjustments resulting from errors are treated as prior period adjustments. Accordingly, the County reports these changes as restatements of beginning fund balance / net position. Restatements as of the beginning of the fiscal year were made to correct the reporting of prior year revenues.

The impact of the restatements on the fund balances / net position as previously reported is presented below:

	Government-Wide Statements	Governmental Funds
	Governmental Activities	General
Fund balance / net position, June 30, 2017, as previously reported	\$ (35,389,794)	\$ 36,587,017
Corrections:		
Revenue recognition due to unrecorded receivable and incorrectly reporting unearned revenue in the prior year.	8,677,930	8,677,930
Fund balance / net position, June 30, 2017, restated	\$ (26,711,864)	\$ 45,264,947

NOTE 9 PENSION PLANS

Summary of Significant Accounting Policies

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County’s defined benefit pension plan (Plan) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the Mendocino County Employees’ Retirement Association (MCERA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. MCERA issues separate public financial statements which may be obtained by contacting the Retirement office at 625B Kings Court, Ukiah, California, 95482.

A. General Information About the Pension Plans

Plan Descriptions

The Mendocino County Employees’ Retirement Association is a cost-sharing multiple-employer defined benefit pension plan serving the employees of the County of Mendocino and two special districts. The Association was established under the County Employees Retirement Act of 1937, as amended. The plan is totally controlled and governed by a nine-member retirement board and is available to essentially all full-time employees of the County and certain special districts. Members of the board are appointed as follows: four members are appointed by the Board of Supervisors, two members are elected by general county employees, one member is elected by safety county employees, two members are elected by county retirees, one alternate, and one member is the County Treasurer who is an ex-officio board member and administrator of the retirement system.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Benefits Provided

MCERA provides service retirement, disability, death, and survivor benefits to eligible employees. All permanent employees of the County or contracting districts who work at least 32 hours per week become members of MCERA effective on the first day of the pay period following employment. There are separate retirement plans for General, Safety, and Probation member employees. Any new employees who become members on or after January 1, 2013 are subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. General members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit, or age 70, regardless of service.

Safety and Probation members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. Safety and Probation members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit, or age 70, regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of Section 31676.121. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times the age factor from Section 31676.12. General member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of Section 31664.2. The monthly allowance is equal to 3% of final compensation times years of accrued retirement service credit times the age factor from Section 31664.2. Safety member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Probation member benefits are calculated pursuant to the provisions of Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times the age factor from Section 31664.

Probation member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d).

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation.

Final average compensation consists of the highest 12 consecutive months of pay for a General Tier 1, Safety Tier 1, or Probation Tier 1 member, and the highest 36 consecutive months for all other members.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

MCERA provides an annual cost-of-living benefit to all non-PEPRA retirees. The cost-of-living adjustment, based upon the Consumer Price Index prepared by the Bureau of Labor Statistics that applies to the Mendocino County Area, is capped at 3.0%.

Contributions

The County and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from MCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2017 for 2017-2018 (based on the June 30, 2017 valuation) was 32.92% of compensation. The actual employer rate depends on General, Safety, or Probation membership, and tier.

All members are required to make contributions to MCERA regardless of the retirement plan or tier in which they are included; however, non-PEPRA members with 30 or more years of service are exempt from paying member contributions. The average member contribution rate as of June 30, 2017 for 2017-2018 (based on the June 30, 2017 valuation) was 9.78% of compensation. The actual member rate depends on the member's age at the time of hire, General, Safety, or Probation membership, and tier.

The member and employer contribution rates are adjusted annually to maintain the appropriate funding status of the Plan. The employer contribution rate is actuarially determined to provide for the balance of the contributions needed to fund the annual normal cost (basic and cost of living) and the amortization of the unfunded actuarial accrued liability.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan was as follows:

Contributions - Employer	<u>\$ 18,209,544</u>
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B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the County reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Total Net Pension Liability	<u>\$ 186,099,824</u>

The County's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2016	93.86%
Proportion - June 30, 2017	<u>95.17%</u>
Change - Increase (Decrease)	1.310%

For the year ended June 30, 2018, the County recognized net pension expense of \$33,115,436. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 4,502,108
Changes in Assumptions	17,224,696	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,779,598
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions	1,755,212	-
County's Contributions Subsequent to the Measurement Date	<u>19,650,882</u>	<u>-</u>
Total	<u>\$ 38,630,790</u>	<u>\$ 8,281,706</u>

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

The County reported \$19,650,882 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 5,000,895
2020	11,374,790
2021	1,175,122
2022	(6,852,605)
Total	<u>10,698,202</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase	4.00% – 8.50% (1)
Investment Rate of Return	7.00% (2)
Mortality	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020, set back one year for males and with no setback for females

(1) Depending on age, service, and type of employment.

(2) Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a October 2014 actuarial experience study for the period July 1, 2011 – June 30, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2017. 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

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

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 June 30, 2017.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	25.3%	5.64%
U.S. Small Cap Equity	12.7%	6.24%
Global Equity	29.0%	6.70%
Domestic Fixed Income	22.0%	1.06%
Real Estate	11.0%	4.37%
Total	<u>100.0%</u>	

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

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

1% Decrease	6.00%
Net Pension Liability	\$ 271,037,352
Current Discount Rate	7.00%
Net Pension Liability	\$ 186,099,824
1% Increase	8.00%
Net Pension Liability	\$ 116,170,375

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued MCERA financial report.

NOTE 10 CONTINGENCIES

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. County Counsel had indicated that probable potential claims against the County are \$50,000 to \$100,000, while possible potential claims against the County range in the area of \$1,000,000. The general liability self-insurance program would cover probable claims losses for which adequate reserves have been maintained.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 11 RISK MANAGEMENT

The County has four risk management funds (Internal Service Funds) to administer the County's insurance programs that are fully self-insured, partially self-insured, or fully funded. Fund revenues are primarily premium charges to other departments and funds, and are planned to equal estimated expenses resulting from the self-insurance programs including claims expenses, liability insurance coverage in excess of the self-insured retention amounts, and other operating expenses. Liability for unpaid claims is subject to change due to future re-estimations of claims by program administrators, inflation, and changes in laws and regulations. The primary activities of the funds consist of risk management programs related to the following:

A. Unemployment Insurance

The County is fully self-insured for this program. The estimated claims liability at fiscal year-end was \$397,381.

B. General Liability Insurance

The County maintains a self-insured retention (SIR) of \$200,000 per occurrence for this program. Losses which exceed the SIR are covered by excess insurance obtained through CSAC-Excess Insurance Authority.

This program is the only insurance program administered without the benefit of a third party administrator.

The administration of this program is a joint effort between the Risk Management Division and the Office of the County Counsel. The liability for unpaid claims was based on actual outstanding claims at June 30, 2018, plus an amount for "incurred but not reported claims." The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The liability of \$860,287 includes incurred but not reported claims.

C. Workers' Compensation

The County elected to become fully insured through CSAC-Excess Insurance Authority on July 1, 1997.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

D. Health Insurance

The County is fully self-insured and administers the program. The County has hired Keenan Associates as a health plan consultant/actuary to review the health plan on an annual basis, and determine by how much County and employee share in premiums should be increased. The estimated claims liability at fiscal year-end was \$2,176,387.

Changes in the fund's claims liability amount for the past two years were:

	Unemployment Insurance	General Liability	Health Insurance	Total
Claims Liability, July 1, 2016	\$ 424,343	\$ 2,029,808	\$ 1,334,164	\$ 3,788,315
Current Year Claims and Changes in Estimates	184,323	(606,095)	11,613,191	11,191,419
Claims Payments	(196,170)	(401,661)	(10,823,688)	(11,421,519)
Claims Liability, June 30, 2017	<u>\$ 412,496</u>	<u>\$ 1,022,052</u>	<u>\$ 2,123,667</u>	<u>\$ 3,558,215</u>
Claims Liability, July 1, 2017	\$ 412,496	\$ 1,022,052	\$ 2,123,667	\$ 3,558,215
Current Year Claims and Changes in Estimates	166,805	204,217	11,417,606	11,788,628
Claims Payments	(181,920)	(365,982)	(11,364,886)	(11,912,788)
Claims Liability, June 30, 2018	<u>\$ 397,381</u>	<u>\$ 860,287</u>	<u>\$ 2,176,387</u>	<u>\$ 3,434,055</u>

NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following funds reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2018:

Fund	Amount in Excess
Mental Health Services Fund	\$ 2,739,203
Pension Obligation Bonds Fund	\$ 550
Special Districts Lighting Fund	\$ 6,307
Disaster Recovery Fund	\$ 113,508



REQUIRED SUPPLEMENTARY INFORMATION



**COUNTY OF MENDOCINO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)			
	June 30, 2018 (June 30, 2017)	June 30, 2017 (June 30, 2016)	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014)
County's Proportion of the Net Pension Liability	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	\$ 186,099,824	\$ 193,097,508	\$ 154,924,361	\$ 130,705,221
County's Covered Payroll	\$ 56,534,158	\$ 54,492,771	\$ 51,937,992	\$ 50,778,344
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	329.18%	354.35%	298.29%	257.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.23%	67.45%	72.78%	75.68%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Schedule of the County's Contributions

Last 10 Fiscal Years*

	Reporting Fiscal Year			
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 19,650,882	\$ 18,209,544	\$ 17,950,331	\$ 14,139,041
Contributions Related to the Actuarially Determined Contribution	19,650,882	18,209,544	17,950,331	14,139,041
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 58,795,524	\$ 56,534,158	\$ 54,492,771	\$ 51,937,992
Contributions as a Percentage of Covered-Employee Payroll	33.42%	32.21%	32.94%	27.22%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 71,598,688	\$ 71,598,688	\$ 75,438,230	\$ 3,839,542
Licenses and Permits	3,705,661	3,705,661	3,964,513	258,852
Fines, Forfeits, and Penalties	1,350,723	1,366,531	1,269,904	(96,627)
Revenue From Use of Money and Property	260,954	260,954	944,151	683,197
Intergovernmental	102,551,591	102,572,526	89,861,097	(12,711,429)
Charges for Services	11,226,477	11,328,411	10,658,388	(670,023)
Other Revenue	1,157,161	1,157,161	1,427,247	270,086
Total Revenues	<u>191,851,255</u>	<u>191,989,932</u>	<u>183,563,530</u>	<u>(8,426,402)</u>
EXPENDITURES				
Current:				
General government:				
Assessor	1,703,013	1,703,013	1,615,377	(87,636)
Auditor-Controller	1,317,577	1,317,577	1,351,324	33,747
Board Of Supervisors	637,667	637,667	653,237	15,570
Buildings & Grounds	4,084,360	4,084,360	3,806,209	(278,151)
Clerk Of The Board	523,955	524,155	498,753	(25,402)
County Clerk	251,567	251,567	195,202	(56,365)
County Clerk-Election	502,331	502,331	589,721	87,390
County Counsel	863,303	863,303	884,336	21,033
County Executive Office	1,036,720	1,036,720	898,971	(137,749)
County Garage	45,077	45,077	(183,651)	(228,728)
Economic Development	629,914	629,914	698,934	69,020
Engineering & Technical Assist	806,353	806,353	805,789	(564)
General Services	270,978	270,978	278,884	7,906
Human Resources	1,322,741	1,322,741	1,259,453	(63,288)
Information Services	3,230,406	3,230,406	2,959,857	(270,549)
Miscellaneous Budget	1,592,504	1,679,690	1,533,565	(146,125)
Nondepartmental Revenue	(2,372,917)	(2,372,917)	(2,467,399)	(94,482)
Retirement	574,288	574,288	592,996	18,708
Treasurer-Tax Collector	734,850	734,850	746,224	11,374
Total general government	<u>17,754,687</u>	<u>17,842,073</u>	<u>16,717,782</u>	<u>(1,124,291)</u>
Public protection:				
Agriculture Dept	1,917,097	1,917,097	1,495,895	(421,202)
Alternate Defender	813,547	813,547	895,528	81,981
Animal Control	1,296,417	1,296,417	1,282,370	(14,047)
Cannabis Management	-	150,000	105,094	(44,906)
Child Support Services	2,913,128	2,913,128	2,398,380	(514,748)
Court Collections	-	-	213	213
Courts-Ab233 Program	1,280,169	2,090,455	2,127,660	37,205
District Attorney	5,519,319	5,540,319	5,138,330	(401,989)
Emergency Svc Cd Safety	314,752	324,905	273,452	(51,453)
Grand Jury	92,210	92,210	81,856	(10,354)
Indigent Defense	350,000	350,000	471,095	121,095
Juvenile Hall	3,076,057	3,076,057	2,785,762	(290,295)
Mendocino County Jail	13,058,242	13,131,217	13,001,088	(130,129)
Mendocino County Sheriff	19,966,279	20,068,734	20,759,858	691,124
Planning & Building Services	4,859,973	5,010,844	4,812,775	(198,069)
Probation Officer	5,778,584	5,778,584	5,120,211	(658,373)
Public Defender	2,752,641	2,752,641	2,630,226	(122,415)
Total public protection	<u>63,988,415</u>	<u>65,306,155</u>	<u>63,379,793</u>	<u>(1,926,362)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public ways and facilities:				
DOT - Mendocino Cty Airport	1,706,774	1,706,774	115,292	(1,591,482)
DOT - Round Valley Airport	35,160	35,160	30,871	(4,289)
Total public ways and facilities	<u>1,741,934</u>	<u>1,741,934</u>	<u>146,163</u>	<u>(1,595,771)</u>
Health and sanitation:				
Alcohol/Other Drug Program	2,416,919	2,416,919	1,909,575	(507,344)
Emergency Medical Services	833,640	833,640	738,152	(95,488)
Employee Wellness/Assistance	361,867	361,867	316,192	(45,675)
Environmental Health	2,606,151	2,606,151	2,099,022	(507,129)
Hospital /Medical Services	4,827,631	4,827,631	5,360,431	532,800
Mendocino County Solid Waste	191,584	191,584	201,023	9,439
Public Health	1,730,894	1,730,894	2,316,771	585,877
Public Health Nursing	2,095,298	2,116,233	1,945,872	(170,361)
Public Health-Ccs	1,152,600	1,152,600	711,589	(441,011)
Total health and sanitation	<u>16,216,584</u>	<u>16,237,519</u>	<u>15,598,627</u>	<u>(638,892)</u>
Public assistance:				
Calworks/Foster Care	27,245,772	27,245,772	23,302,025	(3,943,747)
DOT - Round Valley Airport	54,290	54,290	51,956	(2,334)
General Relief	583,294	583,294	506,987	(76,307)
Health & Human Services Admin	319,122	319,122	369,288	50,166
In Home Support Services	4,415,693	4,415,693	4,540,320	124,627
Social Services	44,441,542	44,211,542	42,162,578	(2,048,964)
Total public assistance	<u>77,059,713</u>	<u>76,829,713</u>	<u>70,933,154</u>	<u>(5,896,559)</u>
Education:				
Farm Advisor	240,912	240,912	228,352	(12,560)
Total education	<u>240,912</u>	<u>240,912</u>	<u>228,352</u>	<u>(12,560)</u>
Recreation and culture:				
Mendocino Cnty Museum	660,676	660,676	417,047	(243,629)
Total recreation and culture	<u>660,676</u>	<u>660,676</u>	<u>417,047</u>	<u>(243,629)</u>
Debt Service:				
Principal	3,240,000	3,240,000	3,607,760	367,760
Interest and Fiscal Charges	60,000	60,000	223,527	163,527
Total debt service	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,831,287</u>	<u>531,287</u>
Total expenditures	<u>180,962,921</u>	<u>182,158,982</u>	<u>171,252,205</u>	<u>(10,906,777)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,888,334	9,830,950	12,311,325	2,480,375
OTHER FINANCING SOURCES (USES)				
Transfers In	499,341	572,316	888,898	316,582
Transfers Out	(13,502,964)	(14,112,044)	(21,067,480)	(6,955,436)
Total Other Financing Sources (Uses)	<u>(13,003,623)</u>	<u>(13,539,728)</u>	<u>(20,178,582)</u>	<u>(6,638,854)</u>
NET CHANGE IN FUND BALANCES	(2,115,289)	(3,708,778)	(7,867,257)	(4,158,479)
Budgetary Fund Balances - Beginning of Year	28,883,513	28,883,513	28,883,513	-
Prior period adjustment	-	-	641,536	641,536
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ 26,768,224</u>	<u>\$ 25,174,735</u>	<u>\$ 21,657,792</u>	<u>\$ (3,516,943)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balance

Total Revenues from the Budgetary Comparison Schedule	\$ 183,563,530
Revenues from funds combined with the General Fund, previously reported as special revenue funds prior to implementation of GASB 54	1,189,441
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports a portion of the disbursement as a reduction of the taxes revenue.	<u>(3,607,760)</u>
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u><u>\$ 181,145,211</u></u>
Total expenditures from the budgetary comparison schedule	\$ 171,252,205
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(7,682,503)
Expenditures from funds combined with the General Fund, previously reported as special revenue funds prior to implementation of GASB 54	5,745,814
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports the disbursement as a reduction of taxes revenue.	<u>(3,607,760)</u>
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u><u>\$ 165,707,756</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ 5,401	\$ 5,401	\$ 65,936	\$ 60,535
Intergovernmental	22,204,453	22,204,453	20,832,699	(1,371,754)
Charges for Services	1,214,301	1,214,301	1,713,645	499,344
Other Revenues	12,000	12,000	93,924	81,924
Total Revenues	<u>23,436,155</u>	<u>23,436,155</u>	<u>22,706,204</u>	<u>(729,951)</u>
EXPENDITURES				
Current:				
Health and Sanitation	<u>26,688,575</u>	<u>26,688,575</u>	<u>29,427,778</u>	<u>(2,739,203)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(3,252,420)	(3,252,420)	(6,721,574)	(3,469,154)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,489,312	4,489,312	1,215,771	(3,273,541)
Transfers Out	<u>(3,747,562)</u>	<u>(3,747,562)</u>	<u>(510,784)</u>	<u>3,236,778</u>
Total Other Financing Sources (Uses)	<u>741,750</u>	<u>741,750</u>	<u>704,987</u>	<u>(36,763)</u>
NET CHANGE IN FUND BALANCES				
	(2,510,670)	(2,510,670)	(6,016,587)	(3,505,917)
Fund Balances - Beginning of Year	<u>11,411,952</u>	<u>11,411,952</u>	<u>11,411,952</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 8,901,282</u></u>	<u><u>\$ 8,901,282</u></u>	<u><u>\$ 5,395,365</u></u>	<u><u>\$ (3,505,917)</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 60,000	\$ 60,000	\$ 64,140	\$ 4,140
Licenses, Permits, and Franchises	44,500	44,500	61,310	16,810
Revenue From Use of Money and Property	14,000	14,000	89,667	75,667
Fines, Forfeitures, and Penalties	35,000	35,000	43,366	8,366
Intergovernmental	16,155,846	16,155,846	9,993,928	(6,161,918)
Charges for Services	115,000	115,000	220,816	105,816
Other Revenues	6,800	6,800	20,063	13,263
Total Revenues	<u>16,431,146</u>	<u>16,431,146</u>	<u>10,493,290</u>	<u>(5,937,856)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	<u>22,728,245</u>	<u>22,943,719</u>	<u>15,151,620</u>	<u>7,792,099</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,297,099)</u>	<u>(6,512,573)</u>	<u>(4,658,330)</u>	<u>1,854,243</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	5,229,996	5,396,219	5,396,219	-
Transfers Out	<u>(180,000)</u>	<u>(180,000)</u>	<u>(533,629)</u>	<u>(353,629)</u>
Total Other Financing Sources (Uses)	<u>5,049,996</u>	<u>5,216,219</u>	<u>4,862,590</u>	<u>(353,629)</u>
NET CHANGE IN FUND BALANCES	(1,247,103)	(1,296,354)	204,260	1,500,614
Fund Balances - Beginning of Year	<u>7,155,475</u>	<u>7,155,475</u>	<u>7,155,475</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 5,908,372</u></u>	<u><u>\$ 5,859,121</u></u>	<u><u>\$ 7,359,735</u></u>	<u><u>\$ 1,500,614</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all governmental funds. The legal level of control for appropriations is at the budget unit level. Appropriations at this level may only be changed with the approval of the Board. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and is amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end.

Budgets are adopted for the General Fund, Debt Service Funds, and most Special Revenue Funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. Budgets were not legally adopted for the Sheriff Special Projects Fund, the Mental Health Treatment Fund and the Endowment Fund.



SUPPLEMENTARY INFORMATION



OTHER BUDGETARY SCHEDULES



**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 35,500	\$ 35,500	\$ 39,807	\$ 4,307
Revenue From Use of Money and Property	(3,000)	(3,000)	(3,360)	(360)
Fines, Forfeitures, and Penalties	9,000	9,000	11,400	2,400
Total Revenues	<u>41,500</u>	<u>41,500</u>	<u>47,847</u>	<u>6,347</u>
EXPENDITURES				
Current:				
General Government	3,600	3,600	3,420	180
Debt Service:				
Principal	1,115,000	1,115,000	1,115,000	-
Interest	753,637	753,637	753,635	2
Total Expenditures	<u>1,872,237</u>	<u>1,872,237</u>	<u>1,872,055</u>	<u>182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,830,737)</u>	<u>(1,830,737)</u>	<u>(1,824,208)</u>	<u>6,529</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,830,733</u>	<u>1,830,733</u>	<u>1,840,736</u>	<u>10,003</u>
NET CHANGE IN FUND BALANCES	(4)	(4)	16,528	16,532
Fund Balances - Beginning of Year	<u>1,990,058</u>	<u>1,990,058</u>	<u>1,990,058</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,990,054</u>	<u>\$ 1,990,054</u>	<u>\$ 2,006,586</u>	<u>\$ 16,532</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ (20,000)	\$ (20,000)	\$ (28,820)	\$ (8,820)
Other Revenues	-	-	394,506	394,506
Total Revenues	<u>(20,000)</u>	<u>(20,000)</u>	<u>365,686</u>	<u>385,686</u>
EXPENDITURES				
Current:				
General Government	4,020	4,020	4,570	(550)
Debt Service:				
Principal	4,630,000	4,630,000	4,630,000	-
Interest	3,240,890	3,240,890	3,240,890	-
Total Expenditures	<u>7,874,910</u>	<u>7,874,910</u>	<u>7,875,460</u>	<u>(550)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,894,910)</u>	<u>(7,894,910)</u>	<u>(7,509,774)</u>	<u>385,136</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>7,894,910</u>	<u>7,894,910</u>	<u>8,624,150</u>	<u>729,240</u>
NET CHANGE IN FUND BALANCES	-	-	1,114,376	1,114,376
Fund Balances - Beginning of Year	<u>7,187,929</u>	<u>7,187,929</u>	<u>7,187,929</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 7,187,929</u></u>	<u><u>\$ 7,187,929</u></u>	<u><u>\$ 8,302,305</u></u>	<u><u>\$ 1,114,376</u></u>

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**



NONMAJOR GOVERNMENTAL FUNDS



**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. The County has the following types of non-major special revenue funds:

- **LIBRARY**

This fund provides library services for all residents and visitors to this beautiful County. The Mendocino County Library System consists of five branches located in Ukiah, Fort Bragg, Willits, Covelo, and Point Arena along with the Bookmobile that provides services to outlying areas. Libraries are community centers and the branches greatly reflect the dynamic and unique communities that support and utilize its many services.

- **FISH AND GAME**

The County of Mendocino has a Fish and Wildlife Propagation Fund, which represents a portion of fines imposed by the Superior Court of Mendocino County for Fish and Game violations. Funds support the Fish and Game Commission in monitoring the status of fish, game, and wildlife in the County, identifying threats, and advising the Board on relevant issues and activities. Funds also support public education and research, community-based activities to improve fish and wildlife habitat, and County representation within and outside the county.

- **SPECIAL AVIATION**

This Special Revenue fund accounts for State and Federal Grants and Aid for Little River and Round Valley airports, which provide facilities for general aviation and serves the air transport needs for northern Mendocino County (Round Valley), the Mendocino County coast (Little River), the California Aviation System and the National Integrated Airport System. Little River and Round Valley airports additionally function as incident command centers/disaster relief staging centers for emergencies, including medical evacuation and major fire, severe storm or earthquake events.

- **SUPPLEMENTAL LAW ENFORCEMENT**

The Supplemental Law Enforcement Services Fund (SLESF) supports COPS (Citizen's Options for Public Safety) and is established in each County pursuant to California Government Code §30061-30065. This fund also provides for one of the two allocated positions within the Sheriff's Office to assist in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **COPS AB 1913**

COPS (Citizen's Options for Public Safety) is funded by the Supplemental Law Enforcement Services Fund (SLESF). The fund is established in each County pursuant to California Government Code §30061-30065. The formula for allocating COPS funds is as follows:

- 5.15% to the County Sheriff for County Jail construction and operations;
- 5.15% to the District Attorney's Office for criminal prosecutions;
- 39.7% to the County and the cities within the County, for supplemental front-line law enforcement services; and
- 50% to the County for implementation of a comprehensive, multi-agency juvenile justice plan.

This budget unit provides funding for one of the two allocated positions within the Sheriff's Office, the Sheriff's Technology Specialist, who assists in the operation and maintenance of the Sheriff's computer hardware, software and networks.

**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

- **SHERIFF SPECIAL PROJECTS**

The Sheriff Office occasionally receives donations from individuals, service clubs and other agencies. The donations may be for unrestricted use or restricted for a specific purpose (memorials, K-9 Program). The Sheriff Special Projects fund is used to account for the receipt and disbursement of these funds.

- **RECORDER MODERNIZATION**

Revenues to this fund are provided through fee collection at the time of recording. The overall mission of the Recorder's Modernization fund is to modernize creation, retention and retrieval of the Clerk-Recorder's records, including the restoration of early handwritten records and entering them into the County's computer system.

- **MICROGRAPHICS**

This special revenue fund further supports the Micrographic Division of the Assessor-Clerk Recorder's Office with regard to micrographic reproductions of County records, and retention and retrieval of Clerk-Recorder's records.

- **MISCELLANEOUS GRANTS**

Miscellaneous non-departmental grants applied for and received by the County of Mendocino that are used to address and/or support a specified (restricted) need or activity.

- **SPECIAL DISTRICTS LIGHTING**

There are currently eleven special lighting districts. These districts are funded by secured and unsecured property tax revenues for the purpose of installing street lights in the related district.

- **SPECIAL DISTRICTS OTHER**

There are currently three other special districts as follows:

1. **AIR QUALITY MANAGEMENT DISTRICT**

The Air Quality Management District (AQMD) has the primary responsibility for the monitoring and control of air pollution from all stationary sources within the boundaries of Mendocino County, including the four incorporated cities. The District is funded by permit fees, motor vehicle fees, state subvention funds, and state and federal grants. The funds support the District's mission to protect air quality, improve levels of service to the public, the regulated community and other agencies, while at the same time striving to reduce and control costs.

2. **MEADOWBROOK SANITATION DISTRICT**

The district is funded by secured and unsecured property tax revenues for the purpose of supporting the sanitation facility in that district.

3. **MENDOCINO COUNTY WATER AGENCY**

Mendocino County Water Agency (MCWA) is a Special District governed by the Board of Supervisors, sitting as the Board of Directors. MCWA revenue is generated from a tax that was established in 1971, which does not exceed \$0.06 per \$100 of assessed valuation. The Water Agency provides project management and compliance for and with the following:

- The Sustainable Groundwater Management Act (SGMA) Implementation
- Ukiah Valley Basin Groundwater Sustainability Agency
- California Statewide Groundwater Elevation Monitoring (CASGEM) Program
- National Pollutant Discharge Elimination System (NPDES) MS4 Phase II Permit

**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

- Proposition 1 Grant Management
Water Agency Action Plan

- **MENTAL HEALTH TREATMENT**

The Mental Health Treatment Fund is a newly created sales tax special revenue fund entirely dedicated to improve services, treatment and facilities for persons with mental health conditions. It is anticipated that Mendocino County will begin to see the sales tax revenue in the start of FY 2018-19.

- **DISASTER RECOVERY**

Funds consist of FEMA public assistance and other grant revenues that support the physical and financial recovery of the County and its communities in the wake of a major fire, severe storm or earthquake event. The County has identified eight recovery support functions that correspond with federal and state disaster recovery frameworks. They are community emergency preparedness, community planning and capacity building, infrastructure systems, economic resiliency & sustainability, health and human services, housing, natural systems, and cultural resources.

CAPITAL PROJECTS

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types. The County has the following types of non-major capital projects funds:

- **CAPITAL PROJECTS**

1. CAPITAL IMPROVEMENTS (BU 1710)

The Capital Improvement Fund provides monies for facility enhancements and large-scale maintenance projects, such as roof replacements, parking lot repairs, and heating and cooling upgrades and significant repairs or remodels. These funds also provide for compliance with the Americans with Disabilities Act (ADA) to plan and complete retrofits for the removal of barriers to disabled access in County facilities.

2. CAPITAL PROJECTS (BU 1712)

This fund provides for the construction of major capital facilities projects. Currently, these funds are reserved exclusively for the upcoming expansion project at the Mendocino County Jail. Over the past several of years the Board has set aside \$1 million to be used for local cash match for the project. In 2017, the Bureau of State and Community Corrections (BSCC) announced that Mendocino County was conditionally awarded \$25 million in lease revenue bond funding to expand the local jail. This project will take several years to complete, and is currently projected to be ready for occupancy in 2021. No other capital projects will be administered through this budget unit until the jail project is completed.

**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

PERMANENT FUNDS

Permanent funds are used to account for resources that cannot be expended, but must be held in perpetuity. Funds are invested and only earnings, not principal, may be used for a specified purpose. The County has the following types of non-major permanent funds:

- **ENDOWMENT FUNDS**

There are several types of endowment funds. Term endowment funds have a built-in stipulation that either part or all of the principal may be used only after a pre-established period has elapsed. Unrestricted endowment funds can be used in any way the recipient chooses. Restricted endowment funds may have limitations put in place by the donor.

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
ASSETS				
Cash and Investments in County Treasury	\$ 1,915,863	\$ 112,478	\$ 155,060	\$ 342,540
Imprest Cash	395	-	-	-
Accounts Receivable	308	-	-	-
Taxes Receivable	171,973	-	-	-
Due From Other Governmental Agencies	130,535	-	-	-
Total Assets	<u>\$ 2,219,074</u>	<u>\$ 112,478</u>	<u>\$ 155,060</u>	<u>\$ 342,540</u>
LIABILITIES				
Accounts Payable	\$ 81,185	\$ 1,384	\$ -	\$ -
Accrued Salaries and Benefits	76,651	-	-	3,016
Total Liabilities	<u>157,836</u>	<u>1,384</u>	<u>-</u>	<u>3,016</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Restricted	2,061,238	111,094	155,060	339,524
Assigned	-	-	-	-
Total Fund Balances	<u>2,061,238</u>	<u>111,094</u>	<u>155,060</u>	<u>339,524</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,219,074</u>	<u>\$ 112,478</u>	<u>\$ 155,060</u>	<u>\$ 342,540</u>

**COUNTY OF MENDOCINO
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018**

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
ASSETS				
Cash and Investments in County Treasury	\$ 76,684	\$ 47,790	\$ 121,240	\$ 3,447
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	464	87
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	<u>\$ 76,684</u>	<u>\$ 47,790</u>	<u>\$ 121,704</u>	<u>\$ 3,534</u>
LIABILITIES				
Accounts Payable	-	-	-	360
Accrued Salaries and Benefits	-	-	-	3,174
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,534</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Restricted	76,684	47,790	121,704	-
Assigned	-	-	-	-
Total Fund Balances	<u>76,684</u>	<u>47,790</u>	<u>121,704</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 76,684</u>	<u>\$ 47,790</u>	<u>\$ 121,704</u>	<u>\$ 3,534</u>

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Mental Health Treatment
ASSETS				
Cash and Investments in County Treasury	\$ 506,322	\$ 447,641	\$ 1,509,168	\$ 318,307
Imprest Cash	-	-	200	-
Accounts Receivable	596,806	-	-	-
Taxes Receivable	-	-	-	1,089,316
Due From Other Governmental Agencies	519,694	-	74,124	-
Total Assets	<u>\$ 1,622,822</u>	<u>\$ 447,641</u>	<u>\$ 1,583,492</u>	<u>\$ 1,407,623</u>
LIABILITIES				
Accounts Payable	\$ 184,853	\$ 382	\$ 31,076	\$ -
Accrued Salaries and Benefits	57,290	-	25,726	-
Total Liabilities	<u>242,143</u>	<u>382</u>	<u>56,802</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	69,093	-	9,131	-
FUND BALANCE				
Restricted	1,311,586	447,259	1,517,559	1,407,623
Assigned	-	-	-	-
Total Fund Balances	<u>1,311,586</u>	<u>447,259</u>	<u>1,517,559</u>	<u>1,407,623</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,622,822</u>	<u>\$ 447,641</u>	<u>\$ 1,583,492</u>	<u>\$ 1,407,623</u>

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Special Revenue</u>		<u>Permanent Fund</u>	<u>Total</u>
	<u>Disaster Recovery</u>	<u>Capital Projects</u>	<u>Endowment Funds</u>	
ASSETS				
Cash and Investments in County Treasury	\$ 481,585	\$ 664,578	\$ 756,842	\$ 7,459,545
Imprest Cash	-	-	-	595
Accounts Receivable	-	-	-	597,665
Taxes Receivable	-	-	-	1,261,289
Due From Other Governmental Agencies	317,004	-	-	1,041,357
 Total Assets	 <u>\$ 798,589</u>	 <u>\$ 664,578</u>	 <u>\$ 756,842</u>	 <u>\$ 10,360,451</u>
LIABILITIES				
Accounts Payable	\$ 340,088	\$ 77,584	\$ -	\$ 716,912
Accrued Salaries and Benefits	1,703	-	-	167,560
Total Liabilities	<u>341,791</u>	<u>77,584</u>	-	<u>884,472</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	<u>78,224</u>
FUND BALANCE				
Restricted	456,798	-	756,842	8,810,761
Assigned	-	586,994	-	586,994
Total Fund Balances	<u>456,798</u>	<u>586,994</u>	<u>756,842</u>	<u>9,397,755</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 798,589</u>	 <u>\$ 664,578</u>	 <u>\$ 756,842</u>	 <u>\$ 10,360,451</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
REVENUES				
Taxes	\$ 1,939,984	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	-	-	70,000	174,083
Revenue From Use of Money and Property	28,662	1,059	-	3,563
Fines, Forfeitures, and Penalties	-	47,608	-	-
Charges for Services	60,296	36,680	-	-
Other Revenue	9,983	112	-	40,186
Total Revenues	<u>2,038,925</u>	<u>85,459</u>	<u>70,000</u>	<u>217,832</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	48,607	-	53,533
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,303,457	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,303,457</u>	<u>48,607</u>	<u>-</u>	<u>53,533</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,264,532)</u>	<u>36,852</u>	<u>70,000</u>	<u>164,299</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,300,241	-	-	-
Transfers Out	(211,503)	-	(40,000)	(77,768)
Total Other Financing Sources (Uses)	<u>1,088,738</u>	<u>-</u>	<u>(40,000)</u>	<u>(77,768)</u>
NET CHANGE IN FUND BALANCES	(175,794)	36,852	30,000	86,531
Fund Balances - Beginning of Year	<u>2,237,032</u>	<u>74,242</u>	<u>125,060</u>	<u>252,993</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,061,238</u>	<u>\$ 111,094</u>	<u>\$ 155,060</u>	<u>\$ 339,524</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	241,533	-	-	-
Revenue From Use of Money and Property	3,161	240	1,598	-
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	18,700	41,812	55,460
Other Revenue	-	32,378	-	25,671
Total Revenues	<u>244,694</u>	<u>51,318</u>	<u>43,410</u>	<u>81,131</u>
EXPENDITURES				
Current:				
General Government	-	-	46,840	75,695
Public Protection	285,431	2,572	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>285,431</u>	<u>2,572</u>	<u>46,840</u>	<u>75,695</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(40,737)</u>	<u>48,746</u>	<u>(3,430)</u>	<u>5,436</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(5,436)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,436)</u>
NET CHANGE IN FUND BALANCES	(40,737)	48,746	(3,430)	-
Fund Balances - Beginning of Year	<u>117,421</u>	<u>(956)</u>	<u>125,134</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 76,684</u>	<u>\$ 47,790</u>	<u>\$ 121,704</u>	<u>\$ -</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Mental Health Treatment
REVENUES				
Taxes	\$ -	\$ 82,221	\$ 153,973	\$ 1,606,571
Licenses, Permits, and Franchises	-	-	331,897	-
Aid from other governmental agencies	3,808,834	625	1,010,749	-
Revenue From Use of Money and Property	-	-	16,940	100
Fines, Forfeitures, and Penalties	20,990	-	81,337	-
Charges for Services	120,970	-	42,665	-
Other Revenue	1,558	-	471	-
Total Revenues	<u>3,952,352</u>	<u>82,846</u>	<u>1,638,032</u>	<u>1,606,671</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	1,018,185	-	477,098	-
Public ways and facilities	-	51,707	-	-
Health and sanitation	1,911,565	-	1,066,228	199,048
Public assistance	30,211	-	-	-
Education	-	-	-	-
Recreation and Culture	1,773	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,961,734</u>	<u>51,707</u>	<u>1,543,326</u>	<u>199,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>990,618</u>	<u>31,139</u>	<u>94,706</u>	<u>1,407,623</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(242,319)	-	(51,369)	-
Total Other Financing Sources (Uses)	<u>(242,319)</u>	<u>-</u>	<u>(51,369)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	748,299	31,139	43,337	1,407,623
Fund Balances - Beginning of Year	<u>563,287</u>	<u>416,120</u>	<u>1,474,222</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,311,586</u>	<u>\$ 447,259</u>	<u>\$ 1,517,559</u>	<u>\$ 1,407,623</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>		<u>Permanent Fund</u>	<u>Total</u>
	<u>Disaster Recovery</u>	<u>Capital Projects</u>	<u>Endowment Funds</u>	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 3,782,749
Licenses, Permits, and Franchises	-	-	-	331,897
Aid from other governmental agencies	1,150,246	-	-	6,456,070
Revenue From Use of Money and Property	-	11,731	5,307	72,361
Fines, Forfeitures, and Penalties	-	-	-	149,935
Charges for Services	-	-	-	376,583
Other Revenue	-	-	-	110,359
Total Revenues	<u>1,150,246</u>	<u>11,731</u>	<u>5,307</u>	<u>11,279,954</u>
EXPENDITURES				
Current:				
General government	-	-	-	122,535
Public protection	1,069,528	-	-	2,954,954
Public ways and facilities	-	-	-	51,707
Health and sanitation	-	-	-	3,176,841
Public assistance	-	-	-	30,211
Education	-	-	-	3,303,457
Recreation and Culture	-	-	-	1,773
Capital Outlay	-	421,487	-	421,487
Total Expenditures	<u>1,069,528</u>	<u>421,487</u>	<u>-</u>	<u>10,062,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>80,718</u>	<u>(409,756)</u>	<u>5,307</u>	<u>1,216,989</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	376,080	-	-	1,676,321
Transfers Out	-	-	-	(628,395)
Total Other Financing Sources (Uses)	<u>376,080</u>	<u>-</u>	<u>-</u>	<u>1,047,926</u>
NET CHANGE IN FUND BALANCES	456,798	(409,756)	5,307	2,264,915
Fund Balances - Beginning of Year	<u>-</u>	<u>996,750</u>	<u>751,535</u>	<u>7,132,840</u>
FUND BALANCES - END OF YEAR	<u>\$ 456,798</u>	<u>\$ 586,994</u>	<u>\$ 756,842</u>	<u>\$ 9,397,755</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,900,000	\$ 1,900,000	\$ 1,939,984	\$ 39,984
Revenue From Use of Money and Property	12,000	12,000	28,662	16,662
Charges for Services	50,000	50,000	60,296	10,296
Other Revenues	13,000	13,000	9,983	(3,017)
Total Revenues	<u>1,975,000</u>	<u>1,975,000</u>	<u>2,038,925</u>	<u>63,925</u>
EXPENDITURES				
Current:				
Education	<u>3,582,219</u>	<u>3,582,219</u>	<u>3,303,457</u>	<u>278,762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,607,219)	(1,607,219)	(1,264,532)	342,687
OTHER FINANCING SOURCES (USES)				
Transfers In	1,300,241	1,300,241	1,300,241	-
Transfers Out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(211,503)</u>	<u>(71,503)</u>
Total Other Financing Sources (Uses)	<u>1,160,241</u>	<u>1,160,241</u>	<u>1,088,738</u>	<u>(71,503)</u>
NET CHANGE IN FUND BALANCES	(446,978)	(446,978)	(175,794)	271,184
Fund Balances - Beginning of Year	<u>2,237,032</u>	<u>2,237,032</u>	<u>2,237,032</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,790,054</u>	<u>\$ 1,790,054</u>	<u>\$ 2,061,238</u>	<u>\$ 271,184</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
FISH AND GAME FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ 320	\$ 320	\$ 1,059	\$ 739
Fines, Forfeitures, and Penalties	35,000	35,000	47,608	12,608
Charges for Services	-	-	36,680	36,680
Other Revenues	-	-	112	112
Total Revenues	<u>35,320</u>	<u>35,320</u>	<u>85,459</u>	<u>50,139</u>
EXPENDITURES				
Current:				
Public Protection	<u>59,953</u>	<u>59,953</u>	<u>48,607</u>	<u>11,346</u>
NET CHANGE IN FUND BALANCES	(24,633)	(24,633)	36,852	61,485
Fund Balances - Beginning of Year	<u>74,242</u>	<u>74,242</u>	<u>74,242</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 49,609</u></u>	<u><u>\$ 49,609</u></u>	<u><u>\$ 111,094</u></u>	<u><u>\$ 61,485</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
SPECIAL AVIATION FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(70,000)	(70,000)	(40,000)	30,000
NET CHANGE IN FUND BALANCES	-	-	30,000	30,000
Fund Balances - Beginning of Year	<u>125,060</u>	<u>125,060</u>	<u>125,060</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 125,060</u>	<u>\$ 125,060</u>	<u>\$ 155,060</u>	<u>\$ 30,000</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ -	\$ -	\$ 3,563	\$ 3,563
Intergovernmental	125,000	125,000	174,083	49,083
Other Revenues	-	40,000	40,186	186
Total Revenues	<u>125,000</u>	<u>165,000</u>	<u>217,832</u>	<u>52,832</u>
EXPENDITURES				
Current:				
Public Protection	<u>124,349</u>	<u>124,349</u>	<u>53,533</u>	<u>70,816</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	651	40,651	164,299	123,648
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(650)</u>	<u>(73,625)</u>	<u>(77,768)</u>	<u>(4,143)</u>
NET CHANGE IN FUND BALANCES	1	(32,974)	86,531	119,505
Fund Balances - Beginning of Year	<u>252,993</u>	<u>252,993</u>	<u>252,993</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 252,994</u></u>	<u><u>\$ 220,019</u></u>	<u><u>\$ 339,524</u></u>	<u><u>\$ 119,505</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
COPS AB 1913 FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ -	\$ -	\$ 3,161	\$ 3,161
Intergovernmental	248,697	248,697	241,533	(7,164)
Total Revenues	<u>248,697</u>	<u>248,697</u>	<u>244,694</u>	<u>(4,003)</u>
EXPENDITURES				
Current:				
Public Protection	<u>438,494</u>	<u>438,494</u>	<u>285,431</u>	<u>153,063</u>
NET CHANGE IN FUND BALANCES	(189,797)	(189,797)	(40,737)	149,060
Fund Balances - Beginning of Year	<u>117,421</u>	<u>117,421</u>	<u>117,421</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (72,376)</u></u>	<u><u>\$ (72,376)</u></u>	<u><u>\$ 76,684</u></u>	<u><u>\$ 149,060</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
RECORDER MODERNIZATION FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ 200	\$ 200	\$ 1,598	\$ 1,398
Charges for Services	66,000	66,000	41,812	(24,188)
Total Revenues	<u>66,200</u>	<u>66,200</u>	<u>43,410</u>	<u>(22,790)</u>
EXPENDITURES				
Current:				
General Government	<u>49,000</u>	<u>49,000</u>	<u>46,840</u>	<u>2,160</u>
NET CHANGE IN FUND BALANCES	17,200	17,200	(3,430)	(20,630)
Fund Balances - Beginning of Year	<u>125,134</u>	<u>125,134</u>	<u>125,134</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 142,334</u>	<u>\$ 142,334</u>	<u>\$ 121,704</u>	<u>\$ (20,630)</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
MICROGRAPHICS FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 67,105	\$ 67,105	\$ 55,460	\$ (11,645)
Other Revenues	20,000	20,000	25,671	5,671
Total Revenues	<u>87,105</u>	<u>87,105</u>	<u>81,131</u>	<u>(5,974)</u>
EXPENDITURES				
Current:				
General Government	<u>87,105</u>	<u>87,105</u>	<u>75,695</u>	<u>11,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	5,436	5,436
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(5,436)</u>	<u>(5,436)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ 60,000	\$ 60,000	\$ 20,990	\$ (39,010)
Intergovernmental	3,126,314	3,126,314	3,808,834	682,520
Charges for Services	49,982	49,982	120,970	70,988
Other Revenues	51,482	51,482	1,558	(49,924)
Total Revenues	<u>3,287,778</u>	<u>3,287,778</u>	<u>3,952,352</u>	<u>664,574</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	287,497	287,497	1,018,185	(730,688)
Health and Sanitation	3,107,879	3,107,879	1,911,565	1,196,314
Public Assistance	26,900	26,900	30,211	(3,311)
Recreation and Culture	-	-	1,773	(1,773)
Total Expenditures	<u>3,422,276</u>	<u>3,422,276</u>	<u>2,961,734</u>	<u>460,542</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(134,498)	(134,498)	990,618	1,125,116
OTHER FINANCING SOURCES (USES)				
Transfers In	45,659	45,659	-	(45,659)
Transfers Out	(45,659)	(45,659)	(242,319)	(196,660)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(242,319)</u>	<u>(242,319)</u>
NET CHANGE IN FUND BALANCES	(134,498)	(134,498)	748,299	882,797
Fund Balances - Beginning of Year	<u>563,287</u>	<u>563,287</u>	<u>563,287</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 428,789</u>	<u>\$ 428,789</u>	<u>\$ 1,311,586</u>	<u>\$ 882,797</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS LIGHTING FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 74,650	\$ 74,650	\$ 82,221	\$ 7,571
Intergovernmental	638	638	625	(13)
Total Revenues	<u>75,288</u>	<u>75,288</u>	<u>82,846</u>	<u>7,558</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	<u>45,400</u>	<u>45,400</u>	<u>51,707</u>	<u>(6,307)</u>
NET CHANGE IN FUND BALANCES	29,888	29,888	31,139	1,251
Fund Balances - Beginning of Year	<u>416,120</u>	<u>416,120</u>	<u>416,120</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 446,008</u></u>	<u><u>\$ 446,008</u></u>	<u><u>\$ 447,259</u></u>	<u><u>\$ 1,251</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS OTHER FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 143,635	\$ 143,635	\$ 153,973	\$ 10,338
Licenses, Permits, and Franchises	284,000	284,000	331,897	47,897
Revenue From Use of Money and Property	5,500	5,500	16,940	11,440
Fines, Forfeitures, and Penalties	2,500	2,500	81,337	78,837
Intergovernmental	840,920	840,920	1,010,749	169,829
Charges for Services	37,300	37,300	42,665	5,365
Other Revenues	3,550	3,550	471	(3,079)
Total Revenues	<u>1,317,405</u>	<u>1,317,405</u>	<u>1,638,032</u>	<u>320,627</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	377,137	377,137	477,098	(99,961)
Health and Sanitation	891,467	1,246,466	1,066,228	180,238
Total Expenditures	<u>1,268,604</u>	<u>1,623,603</u>	<u>1,543,326</u>	<u>80,277</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	48,801	(306,198)	94,706	400,904
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(51,369)	(51,369)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(51,369)</u>	<u>(51,369)</u>
NET CHANGE IN FUND BALANCES	48,801	(306,198)	43,337	349,535
Fund Balances - Beginning of Year	<u>1,474,222</u>	<u>1,474,222</u>	<u>1,474,222</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,523,023</u>	<u>\$ 1,168,024</u>	<u>\$ 1,517,559</u>	<u>\$ 349,535</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
DISASTER RECOVERY FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 579,940	\$ 1,150,246	\$ 570,306
EXPENDITURES				
Current:				
Public Protection	-	956,020	1,069,528	(113,508)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(376,080)	80,718	456,798
OTHER FINANCING SOURCES (USES)				
Transfers In	-	376,080	376,080	-
NET CHANGE IN FUND BALANCES	-	-	456,798	456,798
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,798</u>	<u>\$ 456,798</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ -	\$ -	\$ 11,731	\$ 11,731
EXPENDITURES				
Current:				
Capital Outlay	1,000,000	1,000,000	421,487	578,513
NET CHANGE IN FUND BALANCES	(1,000,000)	(1,000,000)	(409,756)	590,244
Fund Balances - Beginning of Year	996,750	996,750	996,750	-
FUND BALANCES - END OF YEAR	<u>\$ (3,250)</u>	<u>\$ (3,250)</u>	<u>\$ 586,994</u>	<u>\$ 590,244</u>

INTERNAL SERVICE FUNDS



**COUNTY OF MENDOCINO
INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. The County has the following types of internal service funds:

- **SOFTWARE ACQUISITION**

This fund is titled "Information Technology Replacement" and was established in FY 2000-2001. The purpose of this fund is to provide the funding for the purchase and or the replacement of multi-departmental computer hardware and software systems.

- **VEHICLE REPLACEMENT**

This fund is titled "Information Technology Replacement" and was established in FY 2000-2001. The purpose of this fund is to provide the funding for the purchase and or the replacement of multi-departmental computer hardware and software systems.

- **UNEMPLOYMENT INSURANCE**

This fund accounts for the funding of the County's unemployment insurance. The County is self-insured for unemployment insurance. The allocation to County departments is based 30% on current staffing levels, and 70% on the most recent five years of unemployment costs by department.

- **GENERAL LIABILITY INSURANCE**

This fund accounts for the activities of the Risk Management Division, which identifies and measures all risks (uncertainty of loss) of the County of Mendocino by developing and implementing appropriate techniques for assessing and resolving these exposures via risk assumption, risk reduction, risk retention, risk transfer or the purchase of insurance. The County of Mendocino is self-insured for liability insurance. Included in this fund are insurance requirements for all liability, property (including fire, flood and select buildings for earthquake), medical malpractice, crime and bond. The County's Safety Officer is responsible for all inspections of County buildings, Cal OSHA required safety trainings, evaluation of departmental safety programs, investigation of accidents for cause and recommended remediation, evaluation of the County's level of compliance with Cal OSHA regulations, and recommending changes in the County's Safety Manual.

- **WORKERS' COMPENSATION**

This fund accounts for the County's Return to Work and Workers' Compensation programs, assisting injured employees in their expeditious return to work, accommodating, when reasonable, permanent medical restrictions; minimizing the County's exposure to Workers' Compensation claims; providing accountability for funds expended in returning injured employees to either their usual and customary duties or modified/alternative work; and providing referrals to other resources if reasonable accommodation cannot be provided.

- **HEALTH INSURANCE**

The Mendocino County Employee Self-Insured Health Plan fund is managed and administered by the County's Human Resources Department. This fund supports the County's medical and prescription drug plans. Dental and Vision plans are separately insured through Delta Dental and Vision Service Plan. The Employee Self-Insurance Health Plan fund also supports:

- an Employee Assistance Program (EAP) –
EAP services are provided by a vendor who offers counseling and referral services with the goal to provide assistance to employees for work related or personal issues that may impact job performance;

**COUNTY OF MENDOCINO
INTERNAL SERVICE FUNDS**

- the Mendocino County Working on Wellness (MCWOW) Program –
The MCWOW program provides opportunities for wellness for all employees and their insured family members through access to health promotion, education, assessments, activities and support, with a goal to help participants take responsibility for healthy lifestyle behaviors and choices leading toward high level wellness and reduced health care costs;
- life, death and dismemberment coverage;
- a Section 125 Plan (tax-deferred, flexible spending cafeteria plan); and
- AirMed-Care air ambulance service memberships.

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018**

ASSETS	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
CURRENT ASSETS				
Pooled Cash and Investments in County Treasury	\$ 2,223,924	\$ 108,308	\$ 554,681	\$ 1,572,068
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Total Current Assets	<u>2,223,924</u>	<u>108,308</u>	<u>554,681</u>	<u>1,572,068</u>
NONCURRENT ASSETS				
Capital Assets:				
Nondepreciable	189,485	-	-	-
Depreciable, Net	-	432,798	-	-
Total Noncurrent Assets	<u>189,485</u>	<u>432,798</u>	<u>-</u>	<u>-</u>
Total Assets	2,413,409	541,106	554,681	1,572,068
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	97,066	-	-	22,656
Accrued Salaries and Benefits	-	-	-	4,532
Compensated Absences Payable	-	-	-	14,536
Liability for Unpaid Claims	-	-	397,381	860,287
Total Current Liabilities	<u>97,066</u>	<u>-</u>	<u>397,381</u>	<u>902,011</u>
Total Liabilities	97,066	-	397,381	902,011
NET POSITION				
Net Investment in Capital Assets	189,485	432,798	-	-
Unrestricted	<u>2,126,858</u>	<u>108,308</u>	<u>157,300</u>	<u>670,057</u>
Total Net Position	<u>\$ 2,316,343</u>	<u>\$ 541,106</u>	<u>\$ 157,300</u>	<u>\$ 670,057</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2018**

ASSETS	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
CURRENT ASSETS			
Pooled Cash and Investments in County Treasury	\$ 846,660	\$ 9,253,934	\$ 14,559,575
Other Cash	-	38,116	38,116
Accounts Receivable	-	153,089	153,089
Total Current Assets	<u>846,660</u>	<u>9,445,139</u>	<u>14,750,780</u>
NONCURRENT ASSETS			
Capital Assets:			
Nondepreciable	-	-	189,485
Depreciable, Net	-	-	432,798
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>622,283</u>
Total Assets	846,660	9,445,139	15,373,063
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	1,574	93,074	214,370
Accrued Salaries and Benefits	3,101	20,440	28,073
Compensated Absences Payable	-	9,042	23,578
Liability for Unpaid Claims	-	2,176,387	3,434,055
Total Current Liabilities	<u>4,675</u>	<u>2,298,943</u>	<u>3,700,076</u>
Total Liabilities	4,675	2,298,943	3,700,076
NET POSITION			
Net Investment in Capital Assets	-	-	622,283
Unrestricted	<u>841,985</u>	<u>7,146,196</u>	<u>11,050,704</u>
Total Net Position	<u>\$ 841,985</u>	<u>\$ 7,146,196</u>	<u>\$ 11,672,987</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
OPERATING REVENUES				
Charges and Fees	\$ -	\$ -	\$ 200,000	\$ 1,515,574
Other Revenues	-	-	15,115	161,765
Total Operating Revenues	-	-	215,115	1,677,339
OPERATING EXPENSES				
Salaries and Benefits	-	-	-	132,073
Services and Supplies	334,971	93,860	861	277,050
Insurance	-	-	-	688,635
Depreciation	-	175,206	-	-
Claims and Judgments	-	-	181,920	365,982
Total Operating Expenses	334,971	269,066	182,781	1,463,740
OPERATING INCOME (LOSS)	(334,971)	(269,066)	32,334	213,599
NONOPERATING REVENUES (EXPENSES)				
Other Revenues	-	-	-	545,374
Interest Revenue (Expense)	30,316	1,707	7,318	22,037
Total Nonoperating Revenues	30,316	1,707	7,318	567,411
INCOME (LOSS) BEFORE TRANSFERS	(304,655)	(267,359)	39,652	781,010
TRANSFERS IN	425,000	382,000	-	-
TRANSFERS OUT	-	-	-	(588,904)
CHANGE IN NET POSITION	120,345	114,641	39,652	192,106
Net Position - Beginning of Year	2,195,998	426,465	117,648	477,951
NET POSITION - END OF YEAR	<u>\$ 2,316,343</u>	<u>\$ 541,106</u>	<u>\$ 157,300</u>	<u>\$ 670,057</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges and Fees	\$ 4,902,870	\$ 12,114,168	\$ 18,732,612
Other Revenues	-	-	176,880
Total Operating Revenues	<u>4,902,870</u>	<u>12,114,168</u>	<u>18,909,492</u>
OPERATING EXPENSES			
Salaries and Benefits	87,665	556,056	775,794
Services and Supplies	24,769	568,049	1,299,560
Insurance	4,526,400	1,055,897	6,270,932
Depreciation	-	-	175,206
Claims and Judgments	-	11,364,886	11,912,788
Total Operating Expenses	<u>4,638,834</u>	<u>13,544,888</u>	<u>20,434,280</u>
OPERATING INCOME (LOSS)	264,036	(1,430,720)	(1,524,788)
NONOPERATING REVENUES (EXPENSES)			
Other Revenues	22,210	-	567,584
Interest Revenue (Expense)	2,608	113,829	177,815
Total Nonoperating Revenues	<u>24,818</u>	<u>113,829</u>	<u>745,399</u>
INCOME (LOSS) BEFORE TRANSFERS	288,854	(1,316,891)	(779,389)
TRANSFERS IN	-	-	807,000
TRANSFERS OUT	<u>(5,293)</u>	<u>(362,691)</u>	<u>(956,888)</u>
CHANGE IN NET POSITION	283,561	(1,679,582)	(929,277)
Net Position - Beginning of Year	<u>558,424</u>	<u>8,825,778</u>	<u>12,602,264</u>
NET POSITION - END OF YEAR	<u>\$ 841,985</u>	<u>\$ 7,146,196</u>	<u>\$ 11,672,987</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts From Interfund Services Provided	\$ -	\$ -	\$ 215,115	\$ 1,677,339
Cash Paid to Employees for Services	-	-	-	(128,937)
Cash Paid to Suppliers for Goods and Services	(315,830)	(93,860)	(197,896)	(1,523,032)
Net Cash Provided (Used) by Operating Activities	(315,830)	(93,860)	17,219	25,370
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Receipts	-	-	-	545,374
Advances from Other Funds	-	(42,486)	-	-
Transfers In	425,000	382,000	-	-
Transfers Out	-	-	-	(588,904)
Net Cash Provided (Used) by Noncapital Financing Activities	425,000	339,514	-	(43,530)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(189,485)	(139,053)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(189,485)	(139,053)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	30,316	1,707	7,318	22,037
Net Cash Provided (Used) by Investing Activities	30,316	1,707	7,318	22,037
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(49,999)	108,308	24,537	3,877
Cash and Cash Equivalents - Beginning of Year	2,273,923	-	530,144	1,568,191
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,223,924</u>	<u>\$ 108,308</u>	<u>\$ 554,681</u>	<u>\$ 1,572,068</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (334,971)	\$ (269,066)	\$ 32,334	\$ 213,599
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	175,206	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	-	-	-	-
Increase (Decrease) in:				
Accounts Payable	19,141	-	-	(29,600)
Accrued Salaries	-	-	-	(1,094)
Compensated Absences	-	-	-	4,230
Claims Liability	-	-	(15,115)	(161,765)
Net Cash Provided (Used) by Operating Activities	<u>\$ (315,830)</u>	<u>\$ (93,860)</u>	<u>\$ 17,219</u>	<u>\$ 25,370</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Interfund Services Provided	\$ 4,902,870	\$ 11,962,444	\$ 18,757,768
Cash Paid to Employees for Services	(88,597)	(561,430)	(778,964)
Cash Paid to Suppliers for Goods and Services	(4,549,722)	(12,956,085)	(19,636,425)
Net Cash Provided (Used) by Operating Activities	<u>264,551</u>	<u>(1,555,071)</u>	<u>(1,657,621)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Other Receipts	22,210	-	567,584
Advances from Other Funds	-	-	(42,486)
Transfers In	-	-	807,000
Transfers Out	(5,293)	(362,691)	(956,888)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>16,917</u>	<u>(362,691)</u>	<u>375,210</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	(328,538)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(328,538)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	2,608	113,829	177,815
Net Cash Provided (Used) by Investing Activities	<u>2,608</u>	<u>113,829</u>	<u>177,815</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	284,076	(1,803,933)	(1,433,134)
Cash and Cash Equivalents - Beginning of Year	<u>562,584</u>	<u>11,095,983</u>	<u>16,030,825</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 846,660</u></u>	<u><u>\$ 9,292,050</u></u>	<u><u>14,597,691</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 264,036	\$ (1,430,720)	\$ (1,524,788)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	175,206
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	(151,724)	(151,724)
Increase (Decrease) in:			
Accounts Payable	1,447	(19,973)	(28,985)
Accrued Salaries	(932)	(1,564)	(3,590)
Compensated Absences	-	(3,810)	420
Claims Liability	-	52,720	(124,160)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 264,551</u></u>	<u><u>\$ (1,555,071)</u></u>	<u><u>\$ (1,657,621)</u></u>

TRUST AND AGENCY FUND



COUNTY OF MENDOCINO TRUST AND AGENCY FUNDS

INVESTMENT TRUST FUNDS

Investment trust funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and college districts and other special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County has the following types of investment trust funds:

- **SPECIAL DISTRICTS LOCAL BOARDS**

These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for special districts local boards.

- **SCHOOL DISTRICTS**

These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for the Counties' schools and college.

AGENCY FUNDS

Agency funds account for assets held by the County as an agent for various local governments and individuals in a custodial capacity.

**COUNTY OF MENDOCINO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 YEAR ENDED JUNE 30, 2018**

	Special Districts <u>Local Boards</u>	School Districts <u>Districts</u>	<u>Total</u>
ADDITIONS			
Contributions from Participants	\$ 22,007,596	\$ 430,426,267	\$ 452,433,863
Interest and Investment Income	184,349	1,435,637	1,619,986
Total Additions	<u>22,191,945</u>	<u>431,861,904</u>	<u>454,053,849</u>
DEDUCTIONS			
Distributions to Participants	<u>20,632,284</u>	<u>427,407,976</u>	<u>448,040,260</u>
Total Deductions	<u>20,632,284</u>	<u>427,407,976</u>	<u>448,040,260</u>
CHANGE IN NET POSITION	1,559,661	4,453,928	6,013,589
Net Position - Beginning of Year	<u>13,472,236</u>	<u>125,186,671</u>	<u>138,658,907</u>
NET POSITION - END OF YEAR	<u>\$ 15,031,897</u>	<u>\$ 129,640,599</u>	<u>\$ 144,672,496</u>

**COUNTY OF MENDOCINO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2018**

	County Departmental	Unapportioned Taxes	Total
ASSETS			
Cash and Investments	\$ 12,767,441	\$ 1,108,580	\$ 13,876,021
Taxes and Assessments Receivable	-	11,969,586	11,969,586
Total Assets	\$ 12,767,441	\$ 13,078,166	\$ 25,845,607
 LIABILITIES			
Fiduciary Liabilities	\$ 12,767,441	\$ 13,078,166	\$ 25,845,607
Total Liabilities	\$ 12,767,441	\$ 13,078,166	\$ 25,845,607

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<u>County Departmental</u>				
ASSETS				
Cash and Investments	\$ 17,884,061	\$ 426,467,934	\$ 431,584,554	\$ 12,767,441
LIABILITIES				
Agency Fund Obligations	\$ 17,884,061	\$ 426,467,934	\$ 431,584,554	\$ 12,767,441
<u>Unapportioned Taxes</u>				
ASSETS				
Cash and Investments	\$ 1,170,741	\$ 500,331,158	\$ 500,393,319	\$ 1,108,580
Taxes Receivable	11,522,018	13,587,891	13,140,323	11,969,586
Total Assets	<u>\$ 12,692,759</u>	<u>\$ 513,919,049</u>	<u>\$ 513,533,642</u>	<u>\$ 13,078,166</u>
LIABILITIES				
Agency Fund Obligations	<u>\$ 12,692,759</u>	<u>\$ 513,919,049</u>	<u>\$ 513,533,642</u>	<u>\$ 13,078,166</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and Investments	\$ 19,054,802	\$ 926,799,092	\$ 931,977,873	\$ 13,876,021
Taxes Receivable	11,522,018	13,587,891	13,140,323	11,969,586
Total Assets	<u>\$ 30,576,820</u>	<u>\$ 940,386,983</u>	<u>\$ 945,118,196</u>	<u>\$ 25,845,607</u>
LIABILITIES				
Agency Fund Obligations	<u>\$ 30,576,820</u>	<u>\$ 940,386,983</u>	<u>\$ 945,118,196</u>	<u>\$ 25,845,607</u>



STATISTICAL SECTION



**COUNTY OF MENDOCINO
STATISTICAL SECTION**

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

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.



**COUNTY OF MENDOCINO
GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities:					
Net investment in capital assets	64,404	73,869	74,585	74,699	75,464
Restricted	21,590	21,403	25,669	23,253	29,746
Unrestricted	<u>(42,162)</u>	<u>(50,296)</u>	<u>(25,297)</u>	<u>(31,191)</u>	<u>(26,506)</u>
Total Primary Government Net Position	<u>43,832</u>	<u>44,976</u>	<u>74,957</u>	<u>66,761</u>	<u>78,704</u>
		(2)	(2)	(2)	(2)
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities:					
Net investment in capital assets	77,487	83,929	89,588	94,282	102,445
Restricted	30,589	29,584	30,684	33,815	50,179
Unrestricted	<u>(28,097)</u>	<u>(162,305)</u>	<u>(159,976)</u>	<u>(163,487)</u>	<u>(177,033)</u>
Total Primary Government Net Position	<u>79,979</u>	<u>(48,792)</u>	<u>(39,704)</u>	<u>(35,390)</u>	<u>(24,408)</u>

Notes:

- Accounting standards require that net position be reported in the three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position are considered restricted when (1) externally imposed by creditors (such as debt covenants), grantors, contributor, or law or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- Due to the implementation of GASB 68 in FY 2015, the County is now required to recognize net pension liability on the financial statements.

Source: Auditor-Controller, County of Mendocino

**COUNTY OF MENDOCINO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)**

	Fiscal Year Ended June 30,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses (by function)					
Governmental Activities:					
General government	15,777	16,022	16,205	17,900	12,977
Public protection	49,639	49,759	49,125	48,624	49,524
Public ways and facilities	12,263	11,425	12,916	12,784	13,697
Health and sanitation	38,277	38,171	35,846	35,317	30,084
Public assistance	58,669	56,795	58,643	55,459	54,622
Education	1,833	1,612	1,713	1,754	2,115
Recreation and culture	437	377	255	318	411
Debt Service:					
Interest	7,593	6,965	6,580	6,808	6,148
Total Primary Government Expenses	<u>184,488</u>	<u>181,126</u>	<u>181,283</u>	<u>178,964</u>	<u>169,578</u>

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses (by function)					
Governmental Activities:					
General government	15,163	15,424	17,558	19,054	18,343
Public protection	52,834	55,033	56,687	64,849	69,949
Public ways and facilities	13,130	15,381	12,394	14,232	13,277
Health and sanitation	35,195	36,322	32,292	30,904	49,695
Public assistance	58,200	58,778	67,853	70,006	72,611
Education	2,635	2,965	3,540	3,685	3,812
Recreation and culture	454	611	599	536	461
Debt Service:					
Interest	4,977	4,710	4,484	4,252	4,087
Total Primary Government Expenses	<u>182,588</u>	<u>189,224</u>	<u>195,407</u>	<u>207,518</u>	<u>232,236</u>

Source: Auditor-Controller, County of Mendocino

**COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)**

	Fiscal Year Ended June 30,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
Program Revenue (by function)					
Governmental Activities:					
General government	3,377	3,587	3,738	3,475	2,947
Public protection	9,806	9,555	10,959	8,752	8,105
Public ways and facilities	334	477	836	329	303
Health and sanitation	5,037	6,160	4,996	4,106	4,130
Public assistance	383	127	178	281	100
Education	50	49	53	36	49
Recreation and culture	-	-	-	-	-
Operating grants and contributions	107,518	104,804	111,534	93,886	101,039
Capital grants and contributions	4,235	9,209	4,995	2,666	3,484
Total Primary Government Program Revenues	<u>130,740</u>	<u>133,968</u>	<u>137,289</u>	<u>113,531</u>	<u>120,157</u>
Total Primary Net Expense	<u>(53,748)</u>	<u>(47,158)</u>	<u>(43,994)</u>	<u>(65,433)</u>	<u>(49,421)</u>

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Program Revenue (by function)					
Governmental Activities:					
General government	2,911	2,846	3,220	3,731	4,403
Public protection	9,954	9,306	9,987	11,091	9,626
Public ways and facilities	268	234	247	263	325
Health and sanitation	3,218	3,692	4,114	3,843	5,944
Public assistance	142	274	219	444	539
Education	49	62	50	57	-
Recreation and culture	-	-	-	-	-
Operating grants and contributions	102,164	105,656	110,986	115,677	130,234
Capital grants and contributions	4,431	6,410	6,391	4,974	3,756
Total Primary Government Program Revenues	<u>123,137</u>	<u>128,480</u>	<u>135,214</u>	<u>140,080</u>	<u>154,828</u>
Total Primary Net Expense	<u>(59,451)</u>	<u>(60,744)</u>	<u>(60,193)</u>	<u>(67,438)</u>	<u>(77,408)</u>

Source: Auditor-Controller, County of Mendocino

**COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)**

	Fiscal Year Ended June 30,				
	2009	2010	2011	2012	2013
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	43,048	43,265	41,144	40,622	41,490
Sales and use taxes	10,443	8,159	9,742	10,723	12,752
Transient occupancy tax	3,733	3,256	3,294	3,556	3,618
Other	707	207	351	287	334
Unrestricted interest and investment earning	1,358	1,754	701	1,026	780
Gain on sale of assets	-	-	-	-	-
Miscellaneous	3,024	1,987	1,590	2,428	1,939
Change in estimate - OPEB	-	-	5,654	-	-
Special item - Teeter Fund Advance	-	(10,326)	11,499	-	-
Total Primary Government	62,313	48,302	73,975	58,642	60,913
 Change in Net Position					
Total Primary Government	8,565	1,144	29,981	(6,791)	11,492
	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	41,090	43,773	46,801	48,171	50,490
Sales and use taxes	13,396	14,687	14,507	14,912	17,480
Transient occupancy tax	3,856	4,491	4,945	5,152	5,682
Other	388	426	429	504	2,025
Unrestricted interest and investment earning	375	274	431	719	1,396
Gain on sale of assets	155	-	-	-	-
Miscellaneous	1,467	4,258	2,168	2,294	2,638
Change in estimate - OPEB	-	-	-	-	-
Special item - Teeter Fund Advance	-	-	-	-	-
Total Primary Government	60,727	67,909	69,281	71,752	79,712
 Change in Net Position					
Total Primary Government	1,276	7,165	9,088	4,314	2,304

Source: Auditor-Controller, County of Mendocino

**COUNTY OF MENDOCINO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	351	153	-	-	-
Unreserved	(1,437)	(16,493)	-	-	-
Nonspendable	-	-	104	102	77
Restricted	-	-	-	-	-
Assigned	-	-	215	221	-
Unassigned	-	-	5,154	12,147	18,682
Total General Fund	<u>(1,086)</u>	<u>(16,340)</u>	<u>5,473</u>	<u>12,470</u>	<u>18,759</u>
All Other Governmental Funds					
Reserved	3,228	1,604	-	-	-
Debt Service	7,091	8,305	-	-	-
Unreserved, reported in:					
Special revenue funds	4,014	(654)	-	-	-
Capital projects funds	(5)	(9)	-	-	-
Debt service funds	899	899	-	-	-
Nonspendable	-	-	555	597	589
Restricted	-	-	19,025	16,815	20,776
Assigned	-	-	-	-	-
Unassigned	-	-	(404)	(9)	(10)
Total All Other Governmental Funds	<u>15,227</u>	<u>10,145</u>	<u>19,176</u>	<u>17,403</u>	<u>21,355</u>
Total Governmental Funds Balances	<u>14,141</u>	<u>(6,195)</u>	<u>24,649</u>	<u>29,873</u>	<u>40,114</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	91	115	133	115	139
Restricted	-	-	-	-	7,071
Assigned	15,572	19,403	24,390	27,541	29,626
Unassigned	11,693	15,330	12,938	8,931	6,936
Total General Fund	<u>27,356</u>	<u>34,848</u>	<u>37,461</u>	<u>36,587</u>	<u>43,772</u>
All Other Governmental Funds					
Nonspendable	651	692	666	525	589
Restricted	25,281	24,060	24,094	33,357	31,286
Assigned	-	-	407	997	587
Unassigned	(9)	(10)	-	(1)	-
Total All Other Governmental Funds	<u>25,923</u>	<u>24,742</u>	<u>25,167</u>	<u>34,878</u>	<u>32,462</u>
Total Governmental Funds Balances	<u>53,279</u>	<u>59,590</u>	<u>62,628</u>	<u>71,465</u>	<u>76,234</u>

Notes:

1. In FY 2010-11 the County implemented GASB 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. FY 2009-10 fund balances have been recharacterized to comply with GASB 54 in order to facilitate year-to-year comparisons.

Source: Auditor-Controller, County of Mendocino

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
Revenues:					
Taxes	57,931	53,640	55,006	55,960	58,193
Licenses, permits and franchises	2,822	2,791	2,787	2,723	2,799
Intergovernmental	111,194	106,692	122,755	97,596	101,447
Revenue from use of money and property	1,113	1,531	461	771	735
Fines, forfeitures and penalties	2,516	2,913	3,752	2,345	1,738
Charges for Services	14,221	13,789	14,613	11,985	10,873
Other revenues	2,989	2,019	1,591	2,428	1,939
Total Revenues	<u>192,786</u>	<u>183,375</u>	<u>200,965</u>	<u>173,808</u>	<u>177,724</u>
Expenditures					
Current:					
General government	14,848	15,195	14,707	13,371	12,786
Public protection	47,217	47,053	46,199	42,969	44,681
Public ways and facilities	11,272	8,724	8,182	9,661	12,999
Health and sanitation	36,777	37,976	34,463	28,999	29,080
Public assistance	57,531	56,560	57,851	52,835	52,733
Education	1,755	1,656	1,658	1,562	1,997
Recreation and culture	429	327	247	295	386
Debt Service:					
Principal	3,776	4,298	4,496	5,269	5,422
Interest	7,658	6,976	6,577	7,453	5,686
Capital outlay	7,222	14,746	7,260	6,229	1,045
Total Expenditures:	<u>188,485</u>	<u>193,511</u>	<u>181,640</u>	<u>168,643</u>	<u>166,815</u>
Excess (Deficiency) of Revenue Over (Under)					
Expenditures	<u>4,301</u>	<u>(10,136)</u>	<u>19,325</u>	<u>5,165</u>	<u>10,909</u>

	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	58,730	63,378	66,682	68,739	75,677
Licenses, permits and franchises	2,913	2,925	2,812	3,377	4,361
Intergovernmental	109,770	112,479	115,851	124,372	126,097
Revenue from use of money and property	338	247	387	622	1,218
Fines, forfeitures and penalties	3,019	1,856	1,940	1,619	1,475
Charges for Services	10,676	11,621	12,995	14,629	15,138
Other revenues	1,623	4,258	2,168	1,849	2,071
Total Revenues	187,069	196,764	202,835	215,207	226,038
Expenditures					
Current:					
General government	13,624	13,854	15,524	15,554	15,732
Public protection	47,135	50,825	55,365	56,020	62,481
Public ways and facilities	14,118	20,052	17,025	14,978	15,349
Health and sanitation	28,563	32,915	32,859	36,814	48,410
Public assistance	56,487	57,052	63,626	65,624	68,936
Education	2,459	2,765	2,998	3,409	3,523
Recreation and culture	421	521	551	462	405
Debt Service:					
Principal	4,765	4,986	5,214	5,470	5,745
Interest	5,073	4,821	4,602	4,376	4,218
Capital outlay	1,018	2,234	1,029	3,706	5,297
Total Expenditures:	173,663	190,025	198,793	206,413	230,098
Excess (Deficiency) of Revenue Over (Under)					
Expenditures	13,406	6,739	4,042	8,794	(4,059)

Continued

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Other Financing Sources (Uses):					
Debt issued	-	-	-	-	-
Transfers in	20,661	18,992	15,363	14,886	15,699
Transfers out	(20,636)	(18,866)	(15,332)	(15,113)	(15,896)
Issuance of refunding debt				25,810	-
Payment to refunded bond escrow agent				(24,130)	-
Total Other Financing Sources (Uses)	<u>25</u>	<u>126</u>	<u>31</u>	<u>1,453</u>	<u>(197)</u>
Special Item					
Teeter fund advance	-	(10,326)	11,499	-	-
Extraordinary Item:					
RDA Dissolution	-	-	-	(1,405)	-
Net Changes in Fund Balances	<u>4,326</u>	<u>(20,336)</u>	<u>30,855</u>	<u>5,213</u>	<u>(197)</u>
Debt Service as a Percentage of Non-Capital Expenditures	6.31%	6.31%	6.35%	7.83%	6.70%

(Principal and Interest) divided by (Total Expenditures less Capital Expenditures)

Source: Auditor-Controller, County of Mendocino

	Fiscal Year Ended June 30,				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other Financing Sources (Uses):					
Debt issued	-	-	-	-	-
Transfers in	16,454	16,190	17,305	21,279	20,186
Transfers out	(16,696)	(16,618)	(18,310)	(21,235)	(20,036)
Issuance of refunding debt	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(242)</u>	<u>(428)</u>	<u>(1,005)</u>	<u>44</u>	<u>150</u>
Special Item					
Teeter fund advance	-	-	-	-	-
Extraordinary Item:					
RDA Dissolution	-	-	-	-	-
Net Changes in Fund Balances	<u>13,164</u>	<u>6,311</u>	<u>3,037</u>	<u>8,838</u>	<u>(3,910)</u>
Debt Service as a Percentage of Non-Capital Expenditures	5.70%	5.22%	4.96%	4.86%	4.43%

COUNTY OF MENDOCINO
ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

June 30	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	Total Direct Tax Rate
2009	9,708,253	330,029	(247,299)	9,790,983	1.00%
2010	10,029,906	359,764	(261,888)	10,127,782	1.00%
2011	9,904,840	363,125	(262,677)	10,005,288	1.00%
2012	9,872,631	371,954	(270,752)	9,973,833	1.00%
2013	9,820,376	371,189	(281,736)	9,909,829	1.00%
2014	9,976,381	358,517	(299,898)	10,035,000	1.00%
2015	10,206,167	367,186	(341,186)	10,232,167	1.00%
2016	10,548,988	365,106	(367,170)	10,546,924	1.00%
2017	10,948,983	376,939	(386,910)	10,939,012	1.00%
2018	11,412,322	365,378	(406,068)	11,371,632	1.00%

Source: Mendocino County Property Tax Records for lien dates 2008/09 - 2017/18

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber, and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are assessed by the State Board of Equalization.
2. Unsecured property is generally personal property, including machinery, equipment, office tools, supplies, mobile homes, vessels, and aircraft.
3. Exempt properties include numerous full and partial exclusions/exemptions provided.
4. Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value. Additionally, Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

**COUNTY OF MENDOCINO
PROPERTY TAX RATE – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Basic Countywide Levy	Unitary Debt Service	Schools	Junior College	Special Districts	Incorporated Cities	Total
2009	1.0000%	0.1200%	0.3280%	0.0520%	0.0520%	0.0180%	1.5700%
2010	1.0000%	0.1710%	0.3520%	0.0600%	0.0610%	0.0060%	1.6500%
2011	1.0000%	0.1990%	0.3490%	0.0610%	0.0380%	0.0060%	1.6530%
2012	1.0000%	0.2070%	0.5290%	0.0570%	0.0440%	0.0060%	1.8430%
2013	1.0000%	0.2300%	0.5110%	0.0560%	0.0390%	0.0060%	1.8420%
2014	1.0000%	0.2330%	0.6110%	0.0560%	0.0400%	0.0000%	1.9400%
2015	1.0000%	0.2590%	0.6040%	0.0540%	0.0280%	0.0000%	1.9450%
2016	1.0000%	0.2600%	0.6520%	0.0540%	0.0280%	0.0000%	1.9940%
2017	1.0000%	0.2620%	0.6040%	0.0500%	0.0320%	0.0000%	1.9480%
2018	1.0000%	0.2700%	0.8700%	0.0700%	0.0100%	0.0000%	2.2200%

Source: Mendocino County Property Tax Records for lien dates 2008/09 - 2017/18

**COUNTY OF MENDOCINO
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2018 AND JUNE 30, 2009
(IN THOUSANDS OF DOLLARS)**

Taxpayer	Business Description	2018			2009		
		Rank	Taxes	Percentage	Rank	Taxes	Percentage
			Levied	Total Levied		Levied	Total Levied
Pacific Gas & Electric Co.	Utility	1	\$ 251,411	2.21%	1	129,986	1.33%
Mendocino Forest Products, Inc.	Mfg./Sawmill	2	63,917	0.56%	4	46,654	0.48%
Waterfowl Wine Co. (Heritage)	Vineyard/Winery	3	57,082	0.50%	7	34,103	0.35%
VCT USA, Inc. (Fetzer)	Vineyard/Winery	4	51,582	0.45%	2	84,244	0.86%
Mendocino Redwood Co., LLC	Mfg./Sawmill	5	40,501	0.36%	5	44,643	0.46%
Georgia Pacific Corp.	Industrial Site	6	32,450	0.29%	3	77,137	0.79%
Pacific Bell Telephone Co.	Communication	7	24,681	0.22%	6	37,047	0.38%
Lyme Redwood Timberlands, LLC (Hawthorne)	Timberland	8	19,435	0.17%	8	22,583	0.23%
Thurston Dennis J & Carol A TT	Auto Dealer	9	18,455	0.16%	-	-	-
Pear Orchard Associates	Shopping Center	10	18,449	0.16%	9	19,409	0.20%
Lantana Mendocino LLC	Hospitality	-	-	-	10	18,719	0.19%
Ten Largest Taxpayers' Total			577,963	5.08%		514,525	5.26%
All Other Taxpayers' Total			10,793,669	94.92%		9,276,458	94.74%
Total			<u>\$ 11,371,632</u>			<u>\$ 9,790,983</u>	

Source: Mendocino County Property Tax Records for lien dates 2008/09 - 2017/18

**COUNTY OF MENDOCINO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

Fiscal Year	(1)	(2)		(3)	Delinquent Amount	% of Levy Delinquent
	Total Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy	Collected Amount	% of Original Levy		
2009	\$ 99,098	\$ 94,331	95.19%	n/a	\$ 4,767	4.81%
2010	101,737	96,825	95.17%	n/a	4,912	4.83%
2011	100,898	96,387	95.53%	n/a	4,511	4.47%
2012	100,229	96,589	96.37%	n/a	3,640	3.63%
2013	99,945	96,699	96.75%	n/a	3,246	3.25%
2014	101,867	98,876	97.06%	n/a	2,991	2.94%
2015	103,757	100,788	97.14%	n/a	2,969	2.86%
2016	107,494	104,617	97.32%	n/a	2,877	2.68%
2017	111,699	108,468	97.11%	n/a	3,231	2.89%
2018	116,240	112,818	97.06%	n/a	3,422	2.94%

Source: Mendocino County Property Tax Records

Notes:

1. Includes Secured, Unsecured, and Unitary Taxes levied for the county itself, school districts, cities, and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.
2. Includes amounts collected by the County of behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.
3. Collections in Subsequent Years are not available from the County's current property tax system.

**COUNTY OF MENDOCINO
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

Type of Business	2008	2009	2010	2011	2012
Motor Vehicle & Parts Dealers	\$ 136,383	\$ 108,706	\$ 111,177	\$ 113,283	\$ 117,385
Home Furnishings & Appliance Stores	19,678	23,630	22,614	24,078	25,579
Building/Garden Material & Equipment	114,472	129,331	123,161	127,653	134,011
Food and Beverage Stores	104,821	95,251	96,367	103,775	110,949
Gasoline Stations	167,803	132,916	155,951	190,697	207,072
Clothing & Clothing Accessories Stores	20,752	26,132	26,527	27,845	30,267
General Merchandise Stores	121,161	80,826	81,229	81,170	80,956
Food Services and Drinking Places	100,572	95,381	95,809	99,929	104,477
Other Retail	145,751	110,496	111,172	113,917	119,466
Total Retail & Food Services	<u>931,393</u>	<u>802,669</u>	<u>824,007</u>	<u>882,347</u>	<u>930,163</u>
All Other Outlets	<u>319,567</u>	<u>254,286</u>	<u>251,804</u>	<u>276,546</u>	<u>286,573</u>
Totals	<u><u>1,250,960</u></u>	<u><u>1,056,955</u></u>	<u><u>1,075,811</u></u>	<u><u>1,158,893</u></u>	<u><u>1,216,736</u></u>

Type of Business	2013	2014	2015	2016	(1) 2017
Motor Vehicle & Parts Dealers	\$ 132,848	\$ 139,537	\$ 159,233	\$ 179,664	\$ 180,476
Home Furnishings & Appliance Stores	28,265	29,735	29,469	30,007	26,096
Building/Garden Material & Equipment	142,050	143,073	159,925	177,288	189,999
Food and Beverage Stores	107,981	107,062	112,682	115,157	112,826
Gasoline Stations	212,336	211,092	181,590	159,688	186,478
Clothing & Clothing Accessories Stores	33,036	34,714	37,493	39,303	36,148
General Merchandise Stores	81,237	80,057	85,594	87,136	80,693
Food Services and Drinking Places	112,115	120,950	133,848	143,642	146,410
Other Retail	126,715	129,822	135,015	143,552	140,632
Total Retail & Food Services	<u>976,583</u>	<u>996,042</u>	<u>1,034,850</u>	<u>1,075,436</u>	<u>1,099,758</u>
All Other Outlets	<u>327,613</u>	<u>337,701</u>	<u>343,626</u>	<u>349,507</u>	<u>351,813</u>
Totals	<u><u>1,304,196</u></u>	<u><u>1,333,743</u></u>	<u><u>1,378,476</u></u>	<u><u>1,424,943</u></u>	<u><u>1,451,571</u></u>

Sources:

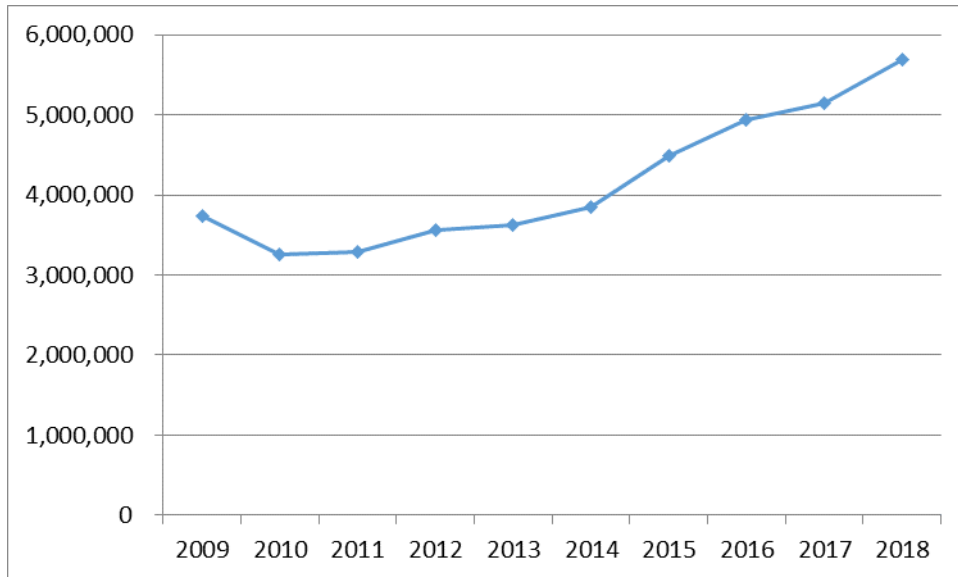
California Department of Tax and Fee Administration (CY data) and State of California Board of Equalization (PY/archived data).

Notes:

1. Calendar year 2017 fourth quarter data has not yet been published by CDTFA; an average of the prior three quarters was used to estimate fourth quarter data for calendar year 2017 sales figures.

**COUNTY OF MENDOCINO
TRANSIENT OCCUPANCY TAX
ACTUAL RECEIPTS
LAST TEN FISCAL YEARS**

Fiscal Year	Annual Revenue (\$)	Growth Rate
2009	3,732,786	-2.80%
2010	3,256,171	-12.77%
2011	3,293,554	1.15%
2012	3,556,307	7.98%
2013	3,617,553	1.72%
2014	3,855,504	6.58%
2015	4,491,130	16.49%
2016	4,944,101	10.09%
2017	5,152,109	4.21%
2018	5,682,028	10.29%



**COUNTY OF MENDOCINO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS, EXCEPT PER CAPITA)**

Fiscal Year	Governmental Activities				Total Governmental Activities (1)	Per Capita (2)	Percentage of Personal Income(2)
	Certificates of Participation	Pension Obligation Bonds	Capital Leases	Long Term Loans			
2009	25,580	89,275	546	2,545	117,946	1,340	3.79%
2010	24,850	86,220	292	2,031	113,393	1,289	3.48%
2011	24,130	82,980	96	1,495	108,701	1,249	3.23%
2012	24,505	79,575	-	936	105,016	1,207	3.10%
2013	23,530	76,000	-	65	99,595	1,145	2.87%
2014	22,545	72,245	-	39	94,829	1,090	2.58%
2015	21,525	68,305	-	13	89,843	1,033	2.33%
2016	20,480	64,150	-	-	84,630	962	2.13%
2017	19,395	59,765	-	-	79,160	900	1.99%
2018	18,280	55,135	-	-	73,415	834	1.84%

Source: Mendocino County Auditor-Controller

Notes:

- (1) Shows all debt shown for governmental activities.
- (2) See the "Demographics and Economic Statistics" schedule for population figures.

**COUNTY OF MENDOCINO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ENDED JUNE 30, 2018
(IN THOUSANDS OF DOLLARS)**

Fiscal Year	Total Assessed Valuation	Legal Debt Limit (1)	Total Net Debt Applicable to Exemptions (2)	Legal Debt Margin (3)	Legal Debt Margin/ Debt Limit
2009	\$ 9,790,983	\$ 122,387	\$ -	\$ 122,387	100%
2010	10,127,782	126,597	-	126,597	100%
2011	10,005,288	125,066	-	125,066	100%
2012	9,973,833	124,673	-	124,673	100%
2013	9,909,829	123,873	-	123,873	100%
2014	10,035,000	125,438	-	125,438	100%
2015	10,232,167	127,902	-	127,902	100%
2016	10,546,924	131,837	-	131,837	100%
2017	10,939,012	136,738	-	136,738	100%
2018	11,371,632	142,145	-	142,145	100%

Source: Mendocino County Property Tax Records for lien dates 2008/09 - 2017/18

Notes:

- (1) The legal debt limit is set by statute at 1.25% of the total assessed valuation.
- (2) The County does not have any General Bonded Debt.
- (3) The legal debt margin is the legal debt limit reduced by all general bonded debt.

**COUNTY OF MENDOCINO
ASSESSED VALUATION
AS OF JUNE 30, 2018**

2017-18 Assessed Valuation (includes unitary utility valuation)

\$ 11,473,746,855

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>	<u>Percentage Applicable</u>	<u>Debt at June 30, 2018</u>
Mendocino-Lake Community College District	66.920	\$ 16,765,022
Redwoods Joint Community College District	13.660	3,884,929
Sonoma County Joint Community College District 2002	1.100	1,622,830
Sonoma County Joint Community College District 2014	1.100	1,159,840
Anderson Valley Unified School District	100.000	6,976,369
Fort Bragg Unified School District	100.000	21,294,068
Laytonville Unified School District	100.000	8,870,000
Mendocino Unified School District	100.000	21,325,000
Southern Humboldt Unified School District	2.200	1,120,613
Ukiah Unified School District	100.000	41,061,901
Willits Unified School District	100.000	12,860,785
Point Arena Joint Union High School District	40.630	560,346
Arena Union School District	100.000	1,534,062
Potter Valley Unified School District	100.000	2,955,000
Mendocino Coast Hospital District	100.000	4,518,773
TOTAL DIRECT AND OVERLAPPING GENERAL GOVERNMENT DEBT		<u>\$ 146,509,538</u>

<u>DIRECT AND OVERLAPPING GENERAL GOVERNMENT DEBT</u>	<u>Percentage Applicable</u>	<u>Debt at June 30, 2018</u>
Mendocino County Certificates of Participation	100.000	55,135,000
Mendocino County Pension Obligation Bonds	100.000	18,280,000
		<u>\$ 73,415,000</u>
 TOTAL DIRECT DEBT		 73,415,000
TOTAL OVERLAPPING DEBT		146,509,538
COMBINED TOTAL DEBT		<u>\$ 219,924,538</u>

Ratios of 2017-2018 Assessed Valuations:

Total Direct and Overlapping Tax and Assessment Debt	1.28%
Total Direct Debt (73,415,000)	0.64%
Combined Total Debt	1.92%

**COUNTY OF MENDOCINO
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**

Calendar Year	(1) Population	(2) Per Capita Income	(2) Total Personal Income (000's)	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2009	87,722	35,506	3,114,697	40.8	13,305	10.0%
2010	87,807	37,124	3,259,748	41.2	12,955	11.6%
2011	87,442	38,493	3,365,946	41.4	12,992	11.4%
2012	87,409	38,737	3,385,984	41.7	13,049	10.0%
2013	87,207	39,814	3,472,065	41.8	13,100	8.3%
2014	87,449	42,051	3,677,284	42.0	13,148	7.0%
2015	87,353	44,161	3,857,573	42.2	13,009	5.8%
2016	87,628	45,436	3,981,438	42.3	13,210	5.2%
2017	88,018	47,646	4,193,701	42.7	13,174	4.2%
2018	--	--	--	--	13,203	3.5%

Notes:

-- Current year data not yet available.

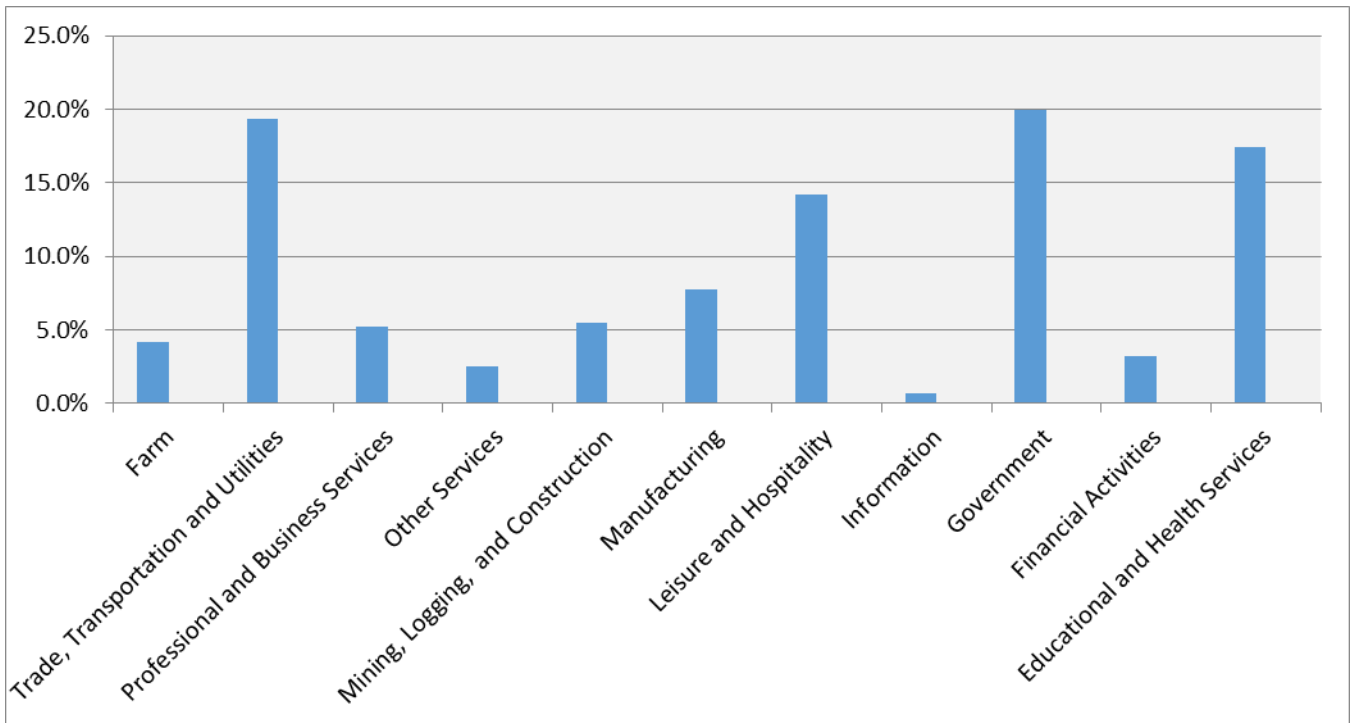
Sources:

1. U.S. Census Bureau; 2017 data released March 2018.
2. U.S. Department of Commerce, Bureau of Economic Analysis; 2017 data published 11/15/18.
3. U.S. Census Bureau, American Community Survey; 2017 data published on 9/18/18.
4. California Department of Education, Education Demographics Unit; 2018 data (2017-2018 school year) posted 4/11/2018.
5. California Employment Development; Labor Market Info Division; 2018 data released October 2018.

**COUNTY OF MENDOCINO
INDUSTRY EMPLOYMENT DISTRIBUTION
AS OF JUNE 30, 2018**

Industry Employment Distribution

Farm	4.2%
Trade, Transportation and Utilities	19.4%
Professional and Business Services	5.2%
Other Services	2.5%
Mining, Logging, and Construction	5.5%
Manufacturing	7.7%
Leisure and Hospitality	14.2%
Information	0.7%
Government	20.0%
Financial Activities	3.2%
Educational and Health Services	17.4%
	100.0%



**COUNTY OF MENDOCINO
PRINCIPAL EMPLOYERS
MOST RECENT YEAR AND TEN YEARS AGO**

Employer	2018 [2], [3]			2009 [2]		
	Employed within the County*	Rank	Percent of Total County Employment	Employed within the County*	Rank	Percent of Total County Employment
County of Mendocino	1,120	1	2.96%	1,100	1	2.74%
Ukiah Unified School District	780	2	2.06%	810	2	2.02%
Adventist Health Ukiah Valley	650	3	1.72%	500	3	1.25%
Mendocino Forrest Products	350	4	0.93%	-	-	0.00%
Mendocino Community Health	340	5	0.90%	230	8	0.57%
Frank R Howard Memorial Hospital	280	6	0.74%	260	6	0.65%
Mendocino Coast District Hospital	250	7	0.66%	300	4	0.75%
Fetzer Vineyards	240	8	0.63%	270	5	0.67%
Wal-Mart Stores, Inc.	230	9	0.61%	250	7	0.62%
Mendocino College	220	10	0.58%	200	9	0.50%
Hopland Band of Pomo Indians	70	-	0.19%	200	10	0.50%
Total of Ten Largest Employers	4,530		11.97%	4,120		10.28%
Number of Employed	37,830 [1]			40,080 [1]		

Source:

1. State of California Employment Development Department
2. Center for Economic Development, www.cedcal.com, adjusted to County only
3. Updated via county survey

*Rounded to nearest 10

**COUNTY OF MENDOCINO
COUNTY EMPLOYEES BY FUNCTION/PROGRAM**

(1)

Function/Program	Fiscal year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	-	151	150	145	141	143	133	135	136	145
Public Protection	-	462	463	435	436	440	441	450	455	463
Public Ways and Facilities	-	132	132	130	127	127	127	126	125	128
Health and Sanitation	-	334	333	289	265	251	222	213	208	196
Public Assistance	-	460	460	439	423	426	423	420	420	421
Recreation and Education	-	32	32	29	36	39	40	40	40	44
Total Governmental Positions	-	1,570.15	1,569.15	1,466.70	1,426.95	1,425.65	1,385.15	1,383.15	1,383.15	1,395.75
Special District:										
Water Resource Agency	-	4	4	2	2	2	2	2	2	2
Air Quality Management District	-	8	8	8	8	8	8	9	9	9
Total Special Districts	-	12.00	12.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00
Total Positions	-	1,582.15	1,581.15	1,476.70	1,436.95	1,435.65	1,395.15	1,394.15	1,394.15	1,406.75

Source: Mendocino County Adopted Budget Book Position Information

Notes:

(1) Data not available.

**COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS**

<u>OPERATION INDICATORS</u>		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
GENERAL GOVERNMENT											
1120	Assessor (BU 1120)										
1120	Deeds Processed	3,377	3,398	3,436	3,629	4,143	3,799	4,074	4,089	4,124	4,046
1120	Appraisals Completed	--	--	8,038	--	14,319	13,183	12,580	13,611	13,630	13,023
1410	Elections (BU 1410)										
1410	Registration Cards Processed	11,481	5,976	5,574	5,773	7,921	5,012	5,295	17,575	11,078	8,689
1941	Recorder - County Clerk (BU 1941)										
1941	Real Estate & Vital Records Processed	26,185	27,815	29,859	27,572	27,410	28,037	26,176	23,808	24,317	22,184
1941	Marriage Licenses Issued	537	463	514	486	513	593	507	588	548	489
1941	Fictitious Business Names Filed	889	912	873	859	831	862	893	903	912	806
PUBLIC PROTECTION											
2510	Adult Corrections (BU 2510)										
2510	Prisoners Booked	6,224	6,124	5,199	5,661	5,765	5,597	5,056	4,989	4,007	7,505
2510	Average Daily Population	284	255	207	253	266	292	301	305	304	303
2090	Child Support Services (BU 2090)										
2090	Cases	5,828	5,432	5,324	4,918	4,615	4,421	4,200	4,003	3,882	3,838
2070	District Attorney (BU 2070)										
2070	Sentences to State Prison	--	--	--	117	130	97	148	141	151	128
2070	Realignment County Prison [1]	--	--	--	44	65	72	95	99	77	64
2851	Planning and Building (BU 2851)										
2851	Planning Applications	760	530	586	481	541	644	765	833	1,448	415
2851	Building and Grading Permits	1,419	1,563	1,623	1,545	1,806	1,772	1,880	2,020	2,376	2,260
2851	Building Inspections	9,039	8,882	7,718	6,571	8,086	7,282	6,292	5,633	6,389	7,030
2560	Probation (BU 2560)										
2560	Juvenile Hall Average Daily Population [2] (CY)	30	27	24	24	21	11	14	22	20	--
2080	Public Defender (BU 2080)										
2080	New Cases	6,096	6,079	5,815	4,171	5,401	5,461	4,941	4,417	5,060	5,391
2310	Sheriff (BU 2310)										
2310	Number of Arrests	2,261	2,237	2,274	2,236	2,447	2,259	2,011	2,255	2,157	2,412
2310	Coroner Case Load	340	302	284	309	301	344	323	327	359	259
2310	Call for Service	39,483	37,439	32,926	33,666	38,378	40,023	38,776	45,028	64,204	64,925
2310	Animal Control (BU 2310)										
2310	Citations	nda	nda	nda	nda	57	82	23	11	21	61
2310	Animal Complaint Cases	nda	nda	nda	nda	311	325	308	281	316	292
2310	Calls for Service	nda	2,980	4,309	3,124	2,628	3,092	2,902	2,815	3,445	3,319
2310	Bite-related Calls for Service	nda	nda	nda	nda	177	162	208	188	189	189

**COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
PUBLIC WAYS AND FACILITIES										
3010 Public Works (BU 3010)										
3010 Road Miles Maintained (CY)	1,020	1,012	1,011	1,014	1,014	1,014	1,015	1,015	1,016	--
3010 Bridges Maintained	152	152	152	152	152	156	157	157	157	157
3010 Miles of Asphalt Overlay	28	1	0	0	3	0	4	14	14	0
3010 Miles of Chip Seal Completed	0	2	0	0	8	52	9	11	0	8
3010 Encroachment Permits Issued	177	154	152	140	136	120	134	148	133	152
3010 Transportation Permits Issued	232	246	188	189	214	200	269	219	207	255
HEALTH AND SANITATION										
4012 Alcohol and Drug Programs (BU 4012)										
4012 Clients that Completed Treatment	1,041	723	598	616	297	221	262	241	240	226
2860 Animal Care (BU 2860)										
2860 Cat and Dog Adoptions	314/498	207/457	239/578	163/632	184/560	238/518	390/472	390/477	364/454	355/401
2860 Spay and Neutered Cats and Dogs	1,663	1,172	1,720	2,063	1,329	1,304	1,343	1,295	1,398	1,339
2860 Licenses Sold - Animal Care Services	11,214	12,141	11,222	12,123	11,543	11,466	10,246	10,309	10,128	10,199
4016 Emergency Medical Services (BU 4016)										
4016 Service Calls	5,989	6,051	5,745	5,695	6,463	7,489	8,031	8,441	8,934	9,093
4011 Environmental Health (BU 4011)										
4011 Well Permits Issued	261	206	129	118	165	248	225	204	224	183
4050 Mental Health (BU 4050)										
4050 Average Days from Request to Assessment (CY)	7	12	12	21	13	10	8	9	6	--
PUBLIC ASSISTANCE										
5010 Adult & Aging Services (BU 5010)										
5010 Reported Cases of Elder Abuse (CY)	519	564	645	687	812	902	912	935	929	--
5010 In-Home Supportive Services Caseload (CY)	1,579	1,573	1,668	1,680	1,732	1,729	1,759	1,708	1,733	--
5190 Aid to Indigents (BU 5190)										
5190 Regular General Assistance (CY)	1,212	1,196	1,091	969	916	756	576	587	565	--
5130 CalWORKS (BU 5130)										
5130 Welfare to Work Participants (CY)	1,290	1,217	1,214	1,019	1,209	1,284	1,215	1,032	887	--
5010 Out-of-Home Care, Average Monthly Caseload (BU 5010)										
5010 Foster Care Ongoing (CY)	247	229	233	225	249	284	272	293	278	--
5010 Court Dependent Children (CY)	247	229	233	225	249	284	272	293	278	--
5010 Aid to Adoptions (CY)	--	--	--	--	340	340	340	340	340	--
5010 Military and Veterans Affairs Caseload Items (BU 5010)										
5010 Claims Filed (CY)	991	809	905	1,111	894	1,181	1,456	917	902	--
5010 Veterans Transported to VA Medical	--	--	--	--	--	--	--	--	--	--

**COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
5010 Social Services (BU 5010)										
5010 CalFresh (CY)	7,021	8,935	10,116	10,627	10,470	10,537	10,443	9,981	9,681	--
5010 Medi-Cal (CY)	12,796	15,808	16,098	16,461	17,037	19,615	22,217	24,202	23,784	--
EDUCATION										
6110 Library										
6110 Customers Visiting Library	N/A	N/A	311,970	337,470	431,966	484,180	455,907	458,529	460,870	444,806

Notes:

-- No data available

[1] Prison commitments served in County jail due to realignment statues, effective October 1, 2011.

[2] 2015-2017 includes juveniles detained as part of a contract with Lake County to house their juveniles.

(CY) Calendar Year

**COUNTY OF MENDOCINO
CAPITAL ASSETS STATISTICS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS**

<u>CAPITAL ASSET STATISTICS</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
6110 EDUCATION										
6110 Branch Libraries	5	5	5	5	5	5	5	5	5	5
6110 Bookmobiles	1	1	1	1	1	1	1	1	1	1
5010 HEALTH/PUBLIC ASSISTANCE										
5010 Buildings	2	2	2	2	2	2	2	2	2	2
5010 Vehicles	30	33	27	27	30	31	29	33	45	52
1610 FACILITIES, RECREATION & CULTURAL										
1610 Buildings	98	98	98	98	98	98	98	98	98	98
1610 Parks	10	10	10	10	10	10	10	10	10	10
1610 Land Acres	--	--	--	--	--	--	--	--	--	--
2310 SHERIFF										
2310 Patrol Stations	3	3	3	3	3	3	3	3	3	3
2310 Patrol Vehicles	39	43	45	45	45	44	46	49	52	54

Notes:

-- No data available

