

C O U N T Y O F MENDOCINO



STATE OF CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

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



– COVER PHOTO –
Big River Beach, Mendocino, CA; photo by Zohar Zaied

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

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INTRODUCTORY SECTION



Redwood Valley, Lake Mendocino and Ukiah Valley, CA; photo by Kee DeLong





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 23, 2019

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

I am pleased to present this Comprehensive Annual Financial Report ("CAFR") of the County of Mendocino for the fiscal year ended June 30, 2019. 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 and 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, 2019. A copy of their report is included on page 12, 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 15 in the “Financial Section” of this CAFR.

Overview of the County

History and Geography: Mendocino County is one of the original counties of California. It was created in 1850 at the time of statehood, and derives its name from Cape Mendocino.



Pudding Creek Beach, Fort Bragg, CA; photo by Zohar Zaied

Mendocino County is located on the north coast of California, and is noted for its distinctive Pacific Ocean coastline, its location along the southern portion of California’s “Lost Coast”, and its redwood forests, agriculture, wine production, and microbrews.



With an area of 3,878 square miles, Mendocino County encompasses 3,506 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 Humboldt and Trinity 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.



Courthouse Annex, Ukiah; photo by Zohar Zaied



Administration Center, Ukiah

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, library services and leisure services. Typically, the department heads who run these operations, other than elected department heads, report to the CEO.

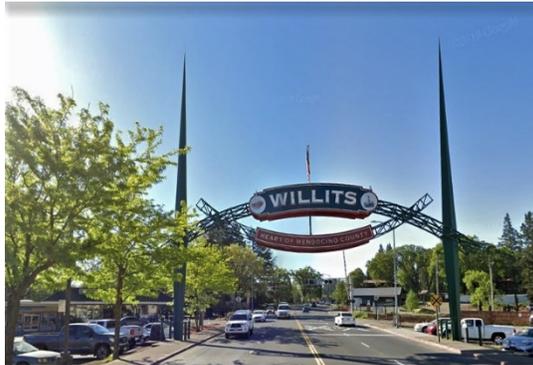
The Ukiah Administration Center houses most of the County’s business services, including the offices of the Assessor-Clerk Recorder, Elections, Environmental Health, Planning & Building and Treasurer-Tax Collector. It also houses the offices of the Mendocino County Board of Supervisors, Executive Office, County Counsel, Auditor-Controller and county support departments of Human Resources and Information Systems. Other Ukiah-based facilities include the offices of the District Attorney, Agriculture, Alternate Defender, Animal Care, Child Support, Cultural Services, Probation, Public Defender, Transportation and county support facilities of Central Services and Facilities and Fleet.

The Sheriff's Office facilities, Jail and Juvenile Hall are all located in Ukiah, with Sheriff Sub-station facilities in Fort Bragg and Willits. The County's Health and Human Services Agency offers behavioral health, public health, social and veterans services facilities in Ukiah, Fort Bragg and Willits. Community libraries are maintained in Ukiah, Fort Bragg, Willits, Point Arena and Covelo. The County maintains community parks in Ukiah, Boonville, Gualala, Philo, Potter Valley, Redwood Valley and Talmage, and the Mendocino County Museum in Willits.

Population: The County maintains a steady population base in excess of 87,000 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 an estimated 2019 population of 16,177. The three other incorporated cities are Fort Bragg, Willits and Point Arena, with estimated 2019 populations of 7,359, 4,935 and 453, respectively.



Fort Bragg, CA



Willits, CA



Point Arena, CA

Component Units

This report includes all the funds of the County of Mendocino and the entities described in Note 1 of the Notes to Basic Financial Statements, beginning on page 39. 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 component units referenced in Note 1 and can be obtained by contacting the Office of the Mendocino County Auditor-Controller.

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, internal 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.

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): Up 8% or \$13 million in 2018 over the prior year with a gross production value of \$188 million, agribusiness continues to be Mendocino County's No. 1 industry. The agriculture industry provides 1,350 jobs within the County. Crop values fluctuate yearly based on production, market and weather conditions. Wine grapes were Mendocino County's largest crop, at \$138 million in 2018, which accounted for 43% of all agribusiness (including timber); this is down 2% over the prior year's ratio of wine grapes to total agribusiness.



Roederer Estate vineyard, Philo, CA; Merlot grapes, Talmage, CA; Pine Mountain redwoods, Willits, CA; photos by Zohar Zaied

Timber: Up 30% or \$31 million in 2018 over the prior year with a gross production value of \$133 million, timber continues to be Mendocino County's No. 2 industry and accounted for 41% of all agribusiness in 2018; this is up 3% over the prior year's ratio of timber to total agribusiness. The timber industry provides approximately 430 jobs within the County.

Employment: The unemployment rate in Mendocino County was 3.7% as of June 2019, a decrease of 0.2% compared to the June 2018 rate of 3.9%, and was 0.5% below the June 2019 state unemployment rate of 4.2%.

Real Estate/Housing: The median home price in Mendocino County decreased 1% from \$355,000 in June 2018 to \$352,000 in June 2019. The median home price has generally increased each year since June 2012, when it was \$225,000, and is up 56% since June 2012.

Long-Term Financial Planning

The 2019-20 fiscal year budget represents moderate growth when compared to the 2018-19 fiscal year budget. The growth in budget should not be viewed as “adding back” to programs and services that were previously reduced during economic downturns 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 all show growth and allow for an increase in the FY 2019-20 budgeting spending level to support the current needs of our County.

The final FY 2019-20 budget for governmental funds authorized a \$313,284,468 spending level, which is an increase of \$33.4 million (11.9%) over the \$279,897,414 budgeted in the prior year for governmental funds. The general fund budget increased \$24 million (12.8%) from prior year, and had \$212,550,970 appropriated to finance the current year’s expenditures.

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 2019-20 appropriations for Capital Projects is \$1,959,808. 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.

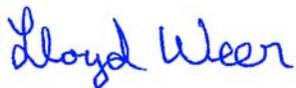
Cost Recovery through Fees: Whenever possible, utilize fees to recover costs where reasonable and after all cost savings options have been explored.

Acknowledgements

The preparation of this Comprehensive Annual Financial Report (CAFR) of the County of Mendocino for the fiscal year ended June 30, 2019 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, Clifton Larsen Allen, LLC, 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.

The County of Mendocino was awarded the Certificate of Achievement for Excellence in Financial Reporting (see p. 8) for its first CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition in governmental accounting, and we would like to acknowledge and thank all of the above parties for their contributions to this significant accomplishment.

Respectfully Submitted:



Lloyd B. Weer
Auditor-Controller





Government Finance Officers Association

**Certificate of
Achievement
for
Excellence
in Financial
Reporting**

Presented to

**County of Mendocino
California**

For its Comprehensive
Annual Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



COUNTY OF MENDOCINO
BOARD OF SUPERVISORS AND SUPERVISORIAL DISTRICTS
JUNE 30, 2019



Carre Brown
District 1



John McCowen
District 2



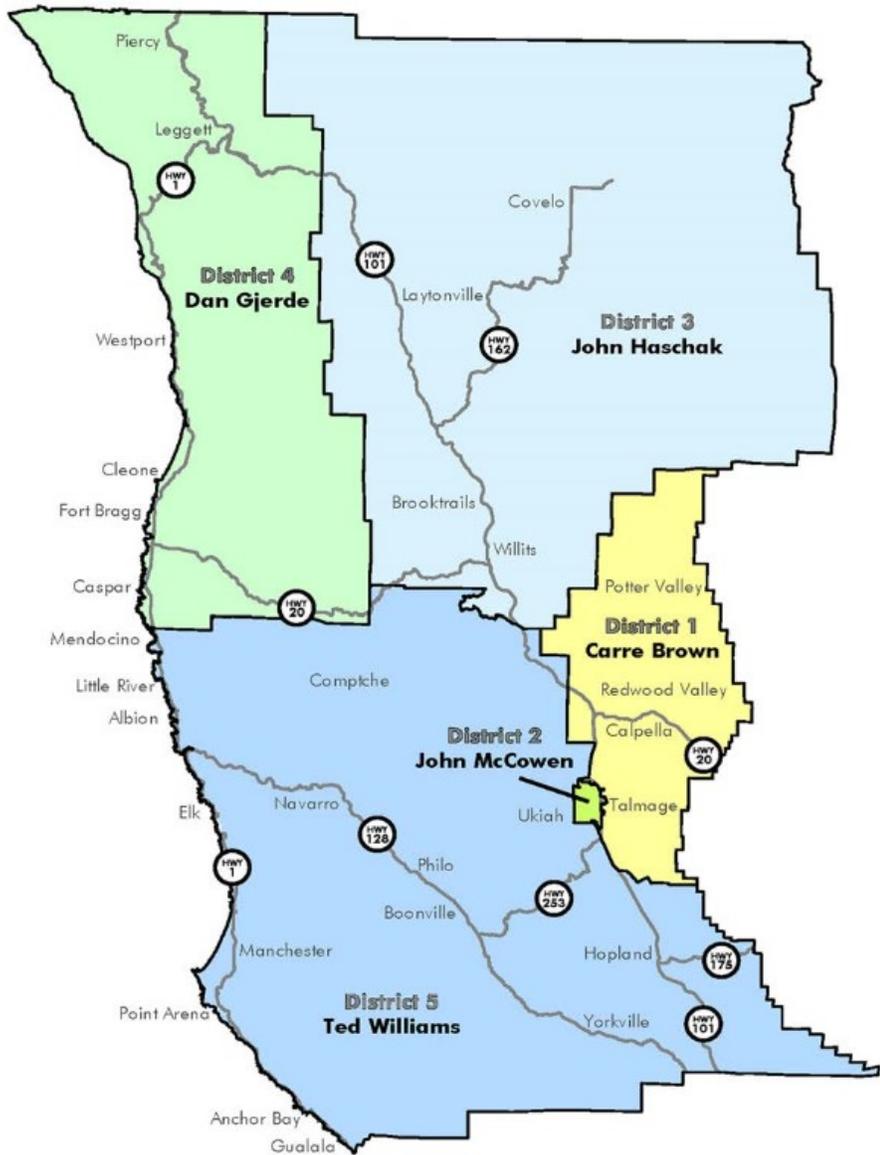
John Haschak
District 3



Dan Gjerde
District 4



Ted Williams
District 5



**COUNTY OF MENDOCINO
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2019**

Elected Officials:

Legislative Branch/Board of Supervisors:

District #1 Carre Brown
District #2 John McCowen
District #3 John Haschak
District #4 Dan Gjerde
District #5 Ted Williams

Executive Branch:

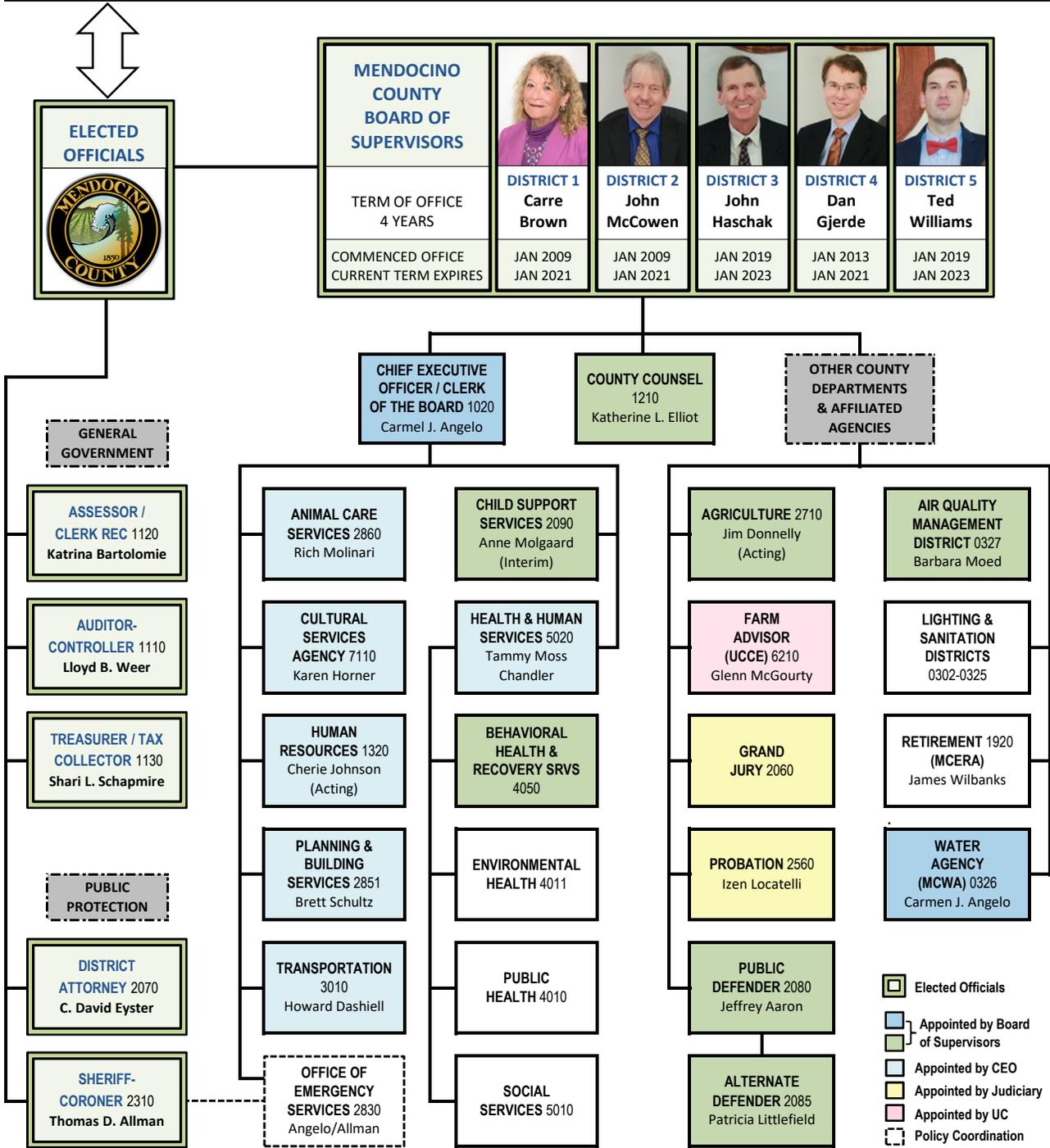
Assessor-County Clerk-Recorder Katrina Bartolomie
Auditor-Controller Lloyd B. Weer
District Attorney C. David Eyster
Sheriff-Coroner Thomas D. Allman
Treasurer-Tax Collector Shari L. Schapmire

Appointed Department Heads:

Agricultural Commissioner Jim Donnelly, Acting
Air Quality Management District Barbara Moed
Alternate Defender Patricia Littlefield
Animal Care Services Rich Molinari
Chief Executive Officer Carmel J. Angelo
Chief Probation Officer Izen Locatelli
Child Support Services Director Anne Molgaard, Interim
County Counsel Katharine L. Elliott
Cultural Services Agency Director Karen Horner
Farm Advisor (UCCE) Glenn McGourty
Health and Human Services Agency Director Tammy Moss Chandler
Human Resources Director Cherie Johnson, Acting
Planning and Building Services Director Brent Schultz
Public Defender Jeffrey Aaron
Retirement Association James Wilbanks
Transportation Director Howard Dashiell

COUNTY OF MENDOCINO ORGANIZATION CHART JUNE 30, 2019

C I T I Z E N S O F M E N D O C I N O C O U N T Y



GOVERNMENT FUNCTIONS → 1XXX-GENERAL GOVERNMENT, 2XXX-PUBLIC PROTECTION, 3XXX-PUBLIC WAYS & FACILITIES, 4XXX-HEALTH & SANITATION, 5XXX-PUBLIC ASSISTANCE, 6XXX-EDUCATION, 7XXX-RECREATION & CULTURAL SERVICES, 0XXX-AGENCIES/SPECIAL DISTRICTS



FINANCIAL SECTION



Farmers Market, Ukiah, CA; photos by Zohar Zaied





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, 2019, 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, based on our audit and the report of other auditors, 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, 2019, 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.

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 23, 2019 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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
December 23, 2019



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, 2019**

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, 2019. 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 assets and deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at the close of the 2019 fiscal year by \$2,799,772 net position. Of this amount, there was a deficit of \$(177,546,233) in unrestricted net position. Beginning in FY 2015, GASB 68 required all counties to recognize their pension liability as a deficit in unrestricted net position on their financial statements. This caused most counties to show a deficit in their overall net position. In FY 2019, Mendocino County has returned to a positive net position of \$2,799,772. Restricted net position of \$70,808,211 represents resources that are subject to external restrictions on their use. The remaining \$109,537,794 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 \$27,207,914 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 continues to improve.
- As of June 30, 2019, the County's governmental funds reported a combined ending fund balance of \$94,960,095. This was an increase of \$18,726,448 in comparison with the prior year. Revenues increased by \$32.3 million, \$11.8 million from taxes, \$0.6 million from Licenses and permits, \$15.0 million from Federal and State Aid, and \$4.3 million from charges for services. Expenditures increased by \$9.0 million. Most of this increase was \$4.9 million from Public Ways and Facilities and \$3.6 million from Health and Sanitation.
- At the end of the fiscal year, the general fund reported an ending fund balance of \$46,729,757, of which \$177,128 was nonspendable, \$8,330,077 was restricted, \$25,886,689 was assigned, and \$12,335,863 was unassigned.
- Total long-term debt decreased by \$(6,035,000) (8%) during the 2018/19 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 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).

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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 22 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 17 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, 2019**

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, 2019**

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, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,799,772 at the close of the 2018/19 fiscal year.

	Governmental Activities*	
	2019	2018
ASSETS		
Current and Other Assets	\$ 142,272,877	\$ 122,482,052
Capital Assets	126,667,794	120,725,435
Total Assets	268,940,671	243,207,487
DEFERRED OUTFLOWS OF RESOURCES	39,946,142	38,630,790
LIABILITIES		
Other Liabilities	18,661,049	19,916,705
Long-Term Liabilities	275,742,830	278,048,008
Total Liabilities	294,403,879	297,964,713
DEFERRED INFLOWS OF RESOURCES	11,683,162	8,281,706
NET POSITION		
Net Investment in Capital Assets	109,537,794	102,445,435
Restricted	70,808,211	50,179,456
Unrestricted	(177,546,233)	(177,033,033)
Total Net Position	\$ 2,799,772	\$ (24,408,142)

The largest portion of the County's net position, \$109,537,794, 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, \$70,808,211, 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 \$(177,546,233) was the result of reporting County's pension liability on the statements to comply with the GASB 68 accounting standard.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Governmental Activities. Governmental activities increased the County's net position by \$27,207,914 during the current fiscal year.

	<u>2019</u>	<u>2018</u>
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	\$ 30,955,084	\$ 20,837,679
Operating Grants and Contributions	135,467,167	130,233,967
Capital Grants and Contributions	6,467,886	3,756,073
General Revenues		
Property Taxes	51,843,170	50,489,879
Sales and Use Taxes	25,084,496	17,480,122
Other Taxes	10,532,603	7,707,358
Unrestricted Interest and Investment Earnings	1,682,587	1,396,175
Miscellaneous	2,347,478	2,638,324
Total Revenues	<u>264,380,471</u>	<u>234,539,577</u>
EXPENSES		
General Government	18,901,276	18,343,028
Public Protection	69,229,247	69,948,584
Public Ways and Facilities	16,112,591	13,277,100
Health and Sanitation	53,070,808	49,695,464
Public Assistance	71,373,056	72,611,213
Education	4,091,745	3,811,960
Recreation and Cultural Services	523,687	461,262
Interest on Long-Term Debt	3,870,147	4,087,244
Total Expenses	<u>237,172,557</u>	<u>232,235,855</u>
CHANGE IN NET POSITION	27,207,914	2,303,722
Net Position - Beginning of Year, as Previously Stated	(24,408,142)	(35,389,794)
Prior Period Adjustment	-	8,677,930
Net Position - Beginning of Year, Restated	<u>(24,408,142)</u>	<u>(26,711,864)</u>
NET POSITION - END OF YEAR	<u>\$ 2,799,772</u>	<u>\$ (24,408,142)</u>

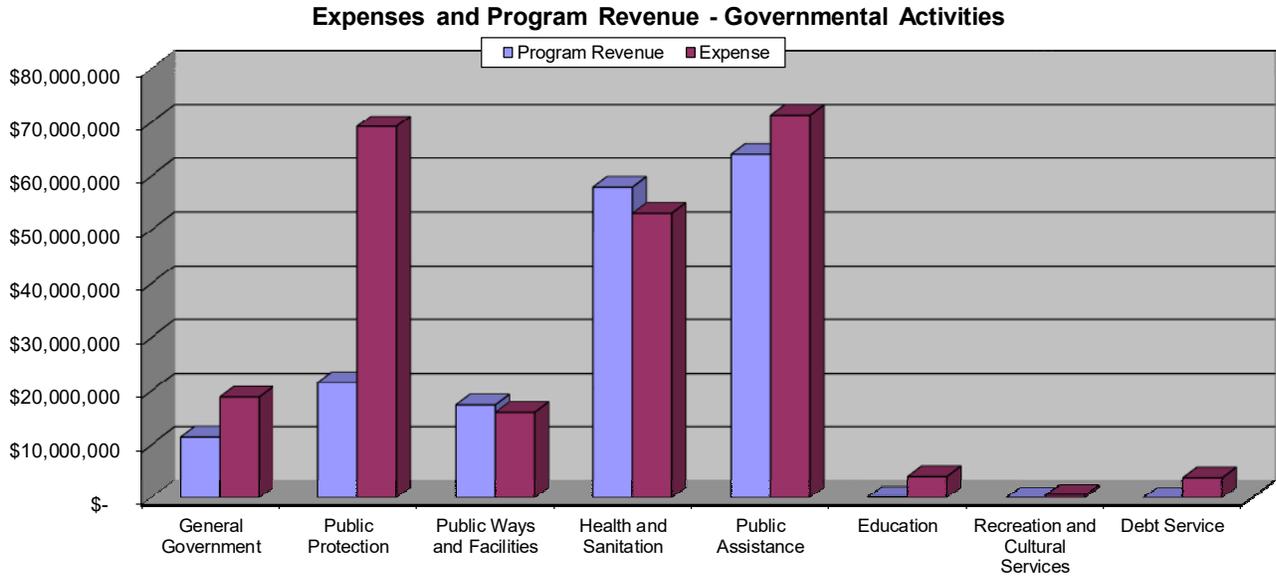
Revenues increased by \$29.8 million from the prior year primarily due to increases in fees, fines, and charges for services of \$10.1 million, sales and use tax increases of \$7.6 million and operating grant increases of \$5.2 million. Other taxes increased by \$2.8 million from the prior year due to a \$2.4 million increase in cannabis business tax, with the remaining increase split between timber yield tax and transient occupancy tax.

Expenses increased by a net \$4.9 million. The largest increases were in public ways and facilities, which increased by \$2.8 million, and in health and sanitation, which increased by \$3.4 million. Increases in public ways were primarily due to increases in construction contracts. All other increases were largely due to increases in salaries and benefits. Other functional expense categories saw decreases of approximately \$1.3 million. The largest decrease was in public assistance, which decreased by \$1.2 million. Decreases were largely due to decreased activity during the year for repairs and upgrades to structures & improvements.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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

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

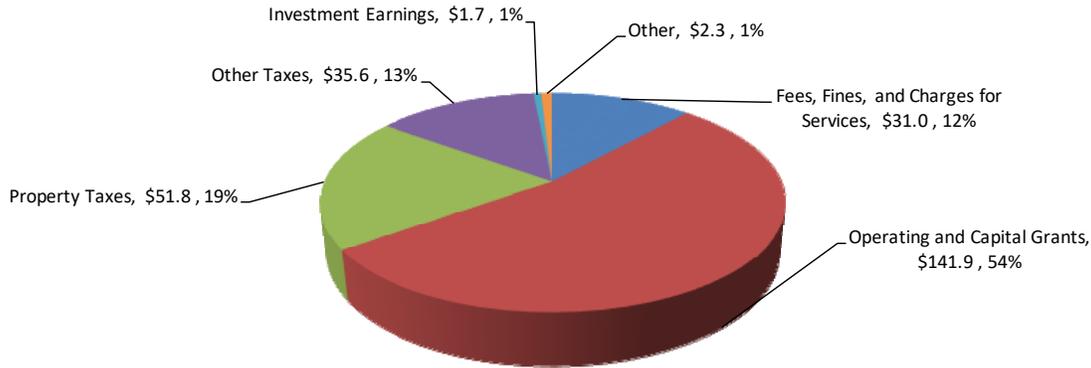


Expenses and Program Revenue

<u>Governmental Functions</u>	<u>Program Revenue</u>	<u>Expense</u>
General Government	\$ 11,434,595	\$ 18,901,276
Public Protection	21,633,404	69,229,247
Public Ways and Facilities	17,468,729	16,112,591
Health and Sanitation	58,010,924	53,070,808
Public Assistance	64,162,680	71,373,056
Education	169,566	4,091,745
Recreation and Cultural Services	10,239	523,687
Debt Service	-	3,870,147
Total Governmental Functions	172,890,137	<u><u>\$ 237,172,557</u></u>
General Revenues (taxes, interest and investment earnings and miscellaneous)	<u>91,490,334</u>	
Total Revenues	<u><u>\$ 264,380,471</u></u>	

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Revenues by Source (in millions) - Governmental Activities



Of the \$264 million of revenue received by the County, the largest portion comes from federal and state sources (approximately 54%). The second largest source comes from property taxes (19%). 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 \$94,960,095, an increase of \$18,726,448 from the prior year. The components of total fund balance are as follows:

- Nonspendable fund balance, \$711,509, 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.
- Restricted fund balance, \$55,276,674, 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) \$28,728,836, (2) pension obligation bonds \$7,757,558 and debt service \$1,981,714, (3) amounts restricted for various other purpose restrictions \$16,808,566.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

- Assigned fund balance, \$26,657,871, 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, \$12,314,041, 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 \$46,729,757, and represents an increase of \$2,957,856 during the 2018/19 fiscal year. The nonspendable portion of the total fund balance for the General Fund was \$177,128, while the spendable portion was \$46,552,629. 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 \$160,199,259. Spendable fund balance represents 29.1% of total fund expenditures, while total fund balance represents 29.2% of the same amount.

The debt service fund had a total fund balance of \$1,981,714, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$(24,872). Interest expenditures for the debt service fund decreased during the current period by \$(36,237).

The pension obligation fund had a total fund balance of \$7,757,558, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$(544,747). Interest expenditures for the pension obligation fund decreased during the current period by \$(262,614).

The mental health services fund had a total fund balance of \$5,006,722. The net decrease in fund balance during the current year was \$(388,643).

The road fund had a total fund balance of \$3,985,816. The net decrease for the year was \$(3,373,919). This decrease is mainly due to the completion of several additional SB1 construction projects during FY 2018/2019.

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 \$7,833,890.

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

- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$100,000 for replacing microwave station power lines.
- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$200,000 for upgrading/replacing EOC generator connections.
- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$200,000 for unanticipated building repair projects during 2018/19.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$1,000,000 for additional county roof replacements.
- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$1,000,000 for additional cost overruns for the SB844 jail expansion project.
- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$1,000,000 for additional IT masterplan contributions.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$126,667,794 (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 \$5,942,359 (4.92%). Additional details of capital assets are in Note 5.

	2019	2018
CAPITAL ASSETS		
Land	\$ 2,928,621	\$ 2,928,621
Structures and Improvements	37,196,581	38,432,234
Improvements Other than Buildings	1,469,836	1,307,624
Equipment	8,629,055	8,890,135
Infrastructure	53,170,963	53,772,112
Construction in Progress	23,272,738	15,394,709
Total Capital Assets	\$ 126,667,794	\$ 120,725,435

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of \$67,380,000.

	2019	2018
OUTSTANDING DEBT		
General Obligation Bonds	\$ 50,250,000	\$ 55,135,000
Certificates of Participation	17,130,000	18,280,000
Total	\$ 67,380,000	\$ 73,415,000

The County's total long term debt decreased by \$6,035,000 (8.22%) 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 assessed valuation is \$11,830,067,725 and the current debt limitation for the County is \$147,875,847.

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, 2019**

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 2019-20 budget which represents conservative growth compared to Fiscal Year 2018-19 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 2019/20 fiscal year.

- In FY 2018-19 the Board of Supervisors entered into formal labor negotiations with two of our eight employee bargaining units. During FY 2019-20 negotiations will continue for all remaining bargaining units as all agreements expire in 2019. The County is currently reviewing the KOFF Compensation Study, which includes recommendations for bringing salaries closer to market. Total FY 2019-20 salaries and benefits are budgeted at \$138,268,888, representing an increase of \$13,667,942 (10.9%) over the previous year.
- The discretionary revenues remain steady with mild increases projected in the major revenue streams (Property Tax, Sales Tax, and Occupancy Tax). The FY 2019-20 total discretionary revenues are budgeted at \$73,886,000, representing an increase of \$7,095,000 (10.6%) over the previous year.
- On March 13, 2018, the Board of Supervisors directed the creation of a Disaster Recovery Budget Unit as a response to the 2017 Redwood Complex Fire. To date the County has awarded approximately \$8,178,000 in grants for soil stabilization, hazardous tree removal, unmet needs for fire survivors, and the infrastructure retrofit of the Redwood Valley County Water District. The FY 2019-20 total Disaster Recovery net appropriations are budgeted at \$6,667,378.
- 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 2019-20 total Cannabis Management net appropriations are budgeted at \$498,397.

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, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 98,950,061
Cash with Fiscal Agent	8,541,910
Other Cash	45,606
Accounts Receivable	1,039,146
Due from Other Governments	29,146,474
Taxes Receivable	3,838,171
Inventories	711,509
Capital Assets:	
Nondepreciable	26,201,359
Depreciable, Net	100,466,435
Total Assets	268,940,671
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pensions	39,946,142
LIABILITIES	
Accounts Payable	12,753,234
Salaries and Benefits Payable	4,429,661
Interest Payable	1,478,154
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,190,000
Bonds Payable	5,155,000
Closure/Post-Closure Liability	480,843
Liability for Compensated Absences	4,848,986
Claims Liability	3,651,164
Portion Due or Payable After One Year:	
Certificates of Participation	15,940,000
Bonds Payable	45,095,000
Closure/Post-Closure Liability	9,338,761
Net Pension Liability	190,043,076
Total Liabilities	294,403,879
DEFERRED INFLOWS OF RESOURCES	
Deferred Pensions	11,683,162
NET POSITION	
Net Investment in Capital Assets	109,537,794
Permanently Restricted for Endowments	553,187
Temporarily Restricted for:	
Legally Segregated Taxes, Grants, and Fees	61,993,906
Debt Service and Capital Projects	8,261,118
Unrestricted	(177,546,233)
Total Net Position	\$ 2,799,772

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

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	\$ 18,901,276	\$ 9,111,165	\$ 2,323,430	\$ -	\$ (7,466,681)
Public Protection	69,229,247	9,601,652	12,031,752	-	(47,595,843)
Public Ways and Facilities	16,112,591	954,711	10,046,132	6,467,886	1,356,138
Health and Sanitation	53,070,808	10,695,653	47,315,271	-	4,940,116
Public Assistance	71,373,056	523,447	63,639,233	-	(7,210,376)
Education	4,091,745	58,217	111,349	-	(3,922,179)
Recreation and Culture	523,687	10,239	-	-	(513,448)
Debt Service:					
Interest	3,870,147	-	-	-	(3,870,147)
	<u>\$ 237,172,557</u>	<u>\$ 30,955,084</u>	<u>\$ 135,467,167</u>	<u>\$ 6,467,886</u>	<u>(64,282,420)</u>
GENERAL REVENUES					
Taxes:					
Property Taxes					51,843,170
Sales and Use Taxes					25,084,496
Transient Occupancy Tax					5,872,388
Other					4,660,215
Unrestricted Interest and Investment Earnings					1,682,587
Miscellaneous					2,347,478
Total General Revenues					<u>91,490,334</u>
CHANGE IN NET POSITION					27,207,914
Net Position - Beginning of Year					<u>(24,408,142)</u>
NET POSITION - END OF YEAR					<u>\$ 2,799,772</u>

See accompanying Notes to Financial Statements.

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

**COUNTY OF MENDOCINO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Pension Obligation Bonds</u>	<u>Mental Health Services</u>
ASSETS				
Pooled Cash and Investments in Treasury	\$ 44,251,092	\$ 21,524	\$ 1,175,838	\$ 8,754,401
Restricted Assets:				
Cash with Fiscal Agent	-	1,960,190	6,581,720	-
Imprest Cash	5,119	-	-	-
Accounts Receivable	498,568	-	-	-
Taxes Receivable	2,668,285	-	-	-
Due from Other Governments	14,254,611	42,859	-	3,511,068
Inventory	177,128	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 61,854,803</u>	<u>\$ 2,024,573</u>	<u>\$ 7,757,558</u>	<u>\$ 12,265,469</u>
LIABILITIES				
Accounts Payable	\$ 5,107,668	\$ -	\$ -	\$ 3,860,653
Accrued Salaries and Benefits	3,829,597	-	-	114,260
Total Liabilities	<u>8,937,265</u>	<u>-</u>	<u>-</u>	<u>3,974,913</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	6,187,781	42,859	-	3,283,834
Total Deferred Inflows of Resources	<u>6,187,781</u>	<u>42,859</u>	<u>-</u>	<u>3,283,834</u>
FUND BALANCES				
Nonspendable	177,128	-	-	-
Restricted	8,330,077	1,981,714	7,757,558	5,006,722
Assigned	25,886,689	-	-	-
Unassigned	12,335,863	-	-	-
Total Fund Balances	<u>46,729,757</u>	<u>1,981,714</u>	<u>7,757,558</u>	<u>5,006,722</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 61,854,803</u>	<u>\$ 2,024,573</u>	<u>\$ 7,757,558</u>	<u>\$ 12,265,469</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Road</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS			
Pooled Cash and Investments in Treasury	\$ 5,165,123	\$ 28,084,287	\$ 87,452,265
Restricted Assets:			
Cash with Fiscal Agent	-	-	8,541,910
Imprest Cash	50	595	5,764
Accounts Receivable	5,538	523,549	1,027,655
Taxes Receivable	-	1,169,886	3,838,171
Due from Other Governments	8,151,657	2,979,001	28,939,196
Inventory	534,381	-	711,509
	<u>\$ 13,856,749</u>	<u>\$ 32,757,318</u>	<u>\$ 130,516,470</u>
LIABILITIES			
Accounts Payable	\$ 2,575,638	995,930	\$ 12,539,889
Accrued Salaries and Benefits	246,965	205,470	4,396,292
Total Liabilities	<u>2,822,603</u>	<u>1,201,400</u>	<u>16,936,181</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	7,048,330	2,057,390	18,620,194
Total Deferred Inflows of Resources	<u>7,048,330</u>	<u>2,057,390</u>	<u>18,620,194</u>
FUND BALANCES			
Nonspendable	534,381	-	711,509
Restricted	3,451,435	28,749,168	55,276,674
Assigned	-	771,182	26,657,871
Unassigned	-	(21,822)	12,314,041
Total Fund Balances	<u>3,985,816</u>	<u>29,498,528</u>	<u>94,960,095</u>
	<u>\$ 13,856,749</u>	<u>\$ 32,757,318</u>	<u>\$ 130,516,470</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,856,749</u>	<u>\$ 32,757,318</u>	<u>\$ 130,516,470</u>

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, 2019**

Fund Balance - Total Governmental Funds \$ 94,960,095

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. 18,620,194

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 126,015,553

Deferred outflows of resources reported in the Statement of Net Position. 39,946,142

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: 8,486,131

Deferred inflows of resources reported in the statement of net position. (11,683,162)

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	(50,250,000)
Certificates of Participation	(17,130,000)
Accrued Interest on Long-Term Debt	(1,478,154)
Compensated Absences	(4,824,347)
Pension Liability	(190,043,076)
Landfill Closure/Post Closure Care Costs	<u>(9,819,604)</u>

Net Position of Governmental Activities \$ 2,799,772

**COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
REVENUES				
Taxes	\$ 76,537,279	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	4,564,578	-	-	-
Intergovernmental	83,594,147	-	-	24,718,758
Revenue from Use of Money and Property	1,325,503	(6,273)	(36,730)	78,156
Fines, Forfeitures, and Penalties	1,383,428	11,500	-	-
Charges for Services	12,134,637	-	-	5,732,418
Other Revenues	1,535,067	-	436,867	174,169
Total Revenues	<u>181,074,639</u>	<u>5,227</u>	<u>400,137</u>	<u>30,703,501</u>
EXPENDITURES				
Current:				
General Government	16,569,985	10,828	4,069	-
Public Protection	61,132,389	-	-	-
Public Ways and Facilities	144,278	-	-	-
Health and Sanitation	10,914,566	-	-	30,871,595
Public Assistance	68,406,586	-	-	-
Education	230,869	-	-	-
Recreation and Culture	468,384	-	-	-
Debt Service:				
Principal	-	1,150,000	4,885,000	-
Interest	312,653	717,398	2,978,276	-
Capital Outlay	2,019,549	-	-	-
Total Expenditures	<u>160,199,259</u>	<u>1,878,226</u>	<u>7,867,345</u>	<u>30,871,595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,875,380	(1,872,999)	(7,467,208)	(168,094)
OTHER FINANCING SOURCES (USES)				
Transfers in	635,432	1,848,127	6,922,461	6,167
Transfers out	(18,552,956)	-	-	(226,716)
Total Other Financing Sources (Uses)	<u>(17,917,524)</u>	<u>1,848,127</u>	<u>6,922,461</u>	<u>(220,549)</u>
NET CHANGES IN FUND BALANCES	2,957,856	(24,872)	(544,747)	(388,643)
Fund Balances - Beginning of Year	<u>43,771,901</u>	<u>2,006,586</u>	<u>8,302,305</u>	<u>5,395,365</u>
FUND BALANCES - END OF YEAR	<u>\$ 46,729,757</u>	<u>\$ 1,981,714</u>	<u>\$ 7,757,558</u>	<u>\$ 5,006,722</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, 2019**

	Road	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 62,031	\$ 10,860,959	\$ 87,460,269
Licenses, Permits, and Franchises	59,181	339,713	4,963,472
Intergovernmental	12,189,753	20,648,901	141,151,559
Revenue from Use of Money and Property	78,597	65,511	1,504,764
Fines, Forfeitures, and Penalties	49,416	72,897	1,517,241
Charges for Services	846,114	695,259	19,408,428
Other Revenues	100,921	100,454	2,347,478
Total Revenues	<u>13,386,013</u>	<u>32,783,694</u>	<u>258,353,211</u>
EXPENDITURES			
Current:			
General Government	-	208,404	16,793,286
Public Protection	-	3,124,442	64,256,831
Public Ways and Facilities	20,044,925	49,520	20,238,723
Health and Sanitation	-	10,266,242	52,052,403
Public Assistance	-	18,913	68,425,499
Education	-	3,734,069	3,964,938
Recreation and Culture	-	-	468,384
Debt Service:			
Principal	-	-	6,035,000
Interest	-	-	4,008,327
Capital Outlay	-	828,613	2,848,162
Total Expenditures	<u>20,044,925</u>	<u>18,230,203</u>	<u>239,091,553</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,658,912)	14,553,491	19,261,658
OTHER FINANCING SOURCES (USES)			
Transfers in	3,620,588	6,017,096	19,049,871
Transfers out	(335,595)	(469,814)	(19,585,081)
Total Other Financing Sources (Uses)	<u>3,284,993</u>	<u>5,547,282</u>	<u>(535,210)</u>
NET CHANGES IN FUND BALANCES	(3,373,919)	20,100,773	18,726,448
Fund Balances - Beginning of Year	<u>7,359,735</u>	<u>9,397,755</u>	<u>76,233,647</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,985,816</u>	<u>\$ 29,498,528</u>	<u>\$ 94,960,095</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, 2019

Net Change to Fund Balance - Total Governmental Funds \$ 18,726,448

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	\$ 12,772,338	
Less: Current Year Depreciation	<u>(6,859,937)</u>	
		5,912,401

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.		5,180,497
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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	4,885,000	
Certificates of Participation	<u>1,150,000</u>	
		6,035,000

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	138,180	
Change in Compensated Absences	(100,950)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(6,029,356)	
Change in Liability for Closure/Post Closure Care	<u>532,550</u>	
		(5,459,576)

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>(3,186,856)</u>
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Change in Net Position of Governmental Activities \$ 27,207,914

**COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
CURRENT ASSETS	
Pooled Cash and Investments in Treasury	\$ 11,492,032
Other Cash	45,606
Accounts Receivable	11,491
Due From Other Governments	<u>207,278</u>
Total Current Assets	11,756,407
NONCURRENT ASSETS	
Capital Assets:	
Nondepreciable	-
Depreciable, Net	<u>652,241</u>
Total Noncurrent Assets	<u>652,241</u>
Total Assets	12,408,648
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	213,345
Accrued Salaries and Benefits	33,369
Compensated Absences	24,639
Liability for Unpaid Claims	<u>3,651,164</u>
Total Current Liabilities	<u>3,922,517</u>
Total Liabilities	3,922,517
NET POSITION	
Investment in Capital Assets	652,241
Unrestricted	<u>7,833,890</u>
Total Net Position	<u><u>\$ 8,486,131</u></u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 18,541,015
Other Revenues	<u>7,491</u>
Total Operating Revenues	<u>18,548,506</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	750,724
Services and Supplies	1,643,436
Insurance	6,737,635
Depreciation	184,615
Claims and Judgments	<u>13,551,095</u>
Total Operating Expenses	<u>22,867,505</u>
OPERATING INCOME (LOSS)	(4,318,999)
NONOPERATING REVENUES (EXPENSES)	
Other Revenue	419,110
Interest Income	<u>177,823</u>
Total Nonoperating Revenues (Expenses)	<u>596,933</u>
INCOME (LOSS) BEFORE TRANSFERS	(3,722,066)
TRANSFERS IN	1,000,000
TRANSFERS OUT	<u>(464,790)</u>
CHANGE IN NET POSITION	(3,186,856)
Net Position - Beginning of Year	<u>11,672,987</u>
NET POSITION - END OF YEAR	<u>\$ 8,486,131</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Interfund Services Provided	\$ 18,482,826
Cash Paid to Employees for Services	(744,367)
Cash Paid to Suppliers for Goods and Services	<u>(21,716,082)</u>
Net Cash Provided (Used) by Operating Activities	(3,977,623)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Receipts	419,110
Transfers in	1,000,000
Transfers out	<u>(464,790)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	954,320
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(214,573)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(214,573)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>177,823</u>
Net Cash Provided (Used) by Investing Activities	<u>177,823</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,060,053)
Cash and Cash Equivalents - Beginning of Year	<u>14,597,691</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 11,537,638</u>
Pooled Cash and Investments in Treasury	\$ 11,492,032
Other Cash	<u>45,606</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 11,537,638</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

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

Operating Income (Loss)	\$ (4,318,999)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	184,615
Changes in Assets and Liabilities:	
(Increase) decrease in:	
Accounts Receivable	(65,680)
Increase (Decrease) in:	
Accounts Payable	(1,025)
Accrued Salaries	5,296
Compensated Absences	1,061
Claims Liability	217,109
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,977,623)</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Investment Trust	Agency Funds	Pension Trust Fund
ASSETS			
Cash and Investments in Treasury	\$ 145,434,590	\$ 15,436,512	\$ 277,833
Other Investments	-	-	532,276,950
Accounts Receivable	-	-	1,213,108
Taxes Receivable	-	12,976,633	-
Other Assets	-	-	396,916
Total Assets	145,434,590	28,413,145	534,164,807
LIABILITIES			
Accounts Payable and Accrued Expenses	-	-	1,437,790
Agency Funds Held for Others	-	28,413,145	-
Total Liabilities	-	28,413,145	1,437,790
NET POSITION			
Net Position Restricted for Pensions	-	-	532,727,017
Net Position Held in Trust for:			
Investment Pool Participants	145,434,590	-	-
Total Net Position	\$ 145,434,590	\$ -	\$ 532,727,017

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Investment Trust</u>	<u>Pension Trust Fund</u>
ADDITIONS		
Contributions:		
Employer Contributions	\$ -	\$ 23,702,064
Member Contributions	-	6,544,192
Contributions on Pooled Investments	383,216,561	-
Interest and Investment Income - Net	2,159,340	20,865,125
Investment expense	-	(906,006)
Total Additions	<u>385,375,901</u>	<u>50,205,375</u>
DEDUCTIONS		
Benefit Payments	-	35,650,289
Distributions from Investment Pool	<u>384,613,807</u>	<u>2,258,030</u>
Total Deductions	<u>384,613,807</u>	<u>37,908,319</u>
CHANGE IN NET POSITION	762,094	12,297,056
Net Position - Beginning of Year	<u>144,672,496</u>	<u>520,429,961</u>
NET POSITION - END OF YEAR	<u>\$ 145,434,590</u>	<u>\$ 532,727,017</u>

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, 2019

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 and a financial benefit or burden relationship exists between the primary government and each of the component units, 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; interfund services provided and used are not eliminated in the process of consolidation.

These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. At June 30, 2019, the County had no business-type activities.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

- 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 Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003. Revenues consist primarily of intergovernmental revenues and charges for services.
- 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 agency funds maintained by the County include two separate components.
 - County Departmental – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.
 - Unapportioned Taxes – Accounts for property tax receipts awaiting apportionment to other local agencies.
- 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, and proprietary 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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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 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.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using no measurement focus.

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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

equally offset by nonspendable fund balance to indicate that portion of fund balance is not in spendable form.

H. Restricted Assets

The County has \$8,541,910 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.

- *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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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.

COUNTY OF MENDOCINO
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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, 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

COUNTY OF MENDOCINO
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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 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

COUNTY OF MENDOCINO
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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.

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, 2019, total County cash and investments were as follows:

Cash:	
Cash on Hand	\$ 1,379,437
Imprest Cash	5,764
Other Cash	45,606
Deposits Less Outstanding Warrants	12,591,877
Total Cash	14,022,684
Investments:	
In Treasurer's Pool	246,121,918
With Fiscal Agents	8,541,910
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	532,276,950
Total Investments	786,940,778
Total Cash and Investments	\$ 800,963,462

Total cash and investments at June 30, 2019, were presented on the County's financial statements as follows:

Primary Government	\$ 107,537,577
Investment Trust Fund	145,434,590
Pension Trust Fund	532,554,783
Agency Funds	15,436,512
Total Cash and Investments	\$ 800,963,462

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

COUNTY OF MENDOCINO
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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, 2019, the carrying value of the County's deposits was \$12,591,877 and the bank balance was \$26,840,859. 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.

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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%

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At June 30, 2019, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Investment Pool:					
Federal Agency Obligations	0.875% - 3.125%	7/1/2019 - 6/26/2023	72,640,000	72,546,685	1.98
Treasury Obligations	1.00% - 2.00%	11/30/2019- 5/31/2023	24,550,000	24,354,763	2.00
Medium Term Corporate Notes	1.25% - 3.25%	8/14/2019- 5/3/23	33,245,000	33,195,989	1.65
Negotiable CD	3.09%	12/2/2019	2,000,000	2,000,000	0.42
Supranational	1.125% - 2.25%	10/7/2019 - 9/4/2022	10,945,000	10,796,798	1.74
Time Deposit	0.30%	3/3/2020 - 3/20/2020	500,000	500,000	0.70
Money Market Mutual Funds	Variable	On Demand	2,727,683	2,727,683	
California Local Agency Investment Fund (LAIF)	Variable	On Demand	65,000,000	65,000,000	
California Asset Management Program	Variable	On Demand	35,000,000	35,000,000	
			<u>246,607,683</u>	<u>246,121,918</u>	
Investments Outside					
Investment Pool:					
Cash Held with Fiscal Agent					
Pension Trust Fund (Held by MCERA)	Variable	N/A	532,276,950	532,276,950	
Money Market Mutual Funds	Variable	On Demand	8,541,910	8,541,910	
Total Investments			<u>\$ 787,426,543</u>	<u>\$ 786,940,778</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, 2019**

Concentration of Credit Risk

At June 30, 2019, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: 12.74% (\$34,764,581), Federal Home Loan Banks; and 5.83% (\$15,958,658), Federal National Mortgage Association.

Fair Value Measurements

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

Level 1 - Investments reflect prices quoted in active markets;

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Investments reflect prices based upon unobservable sources.

The pool has the following recurring fair value measurements as of June 30, 2019:

	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Federal Agency Obligations	\$ 72,546,685	\$ -	\$ 72,546,685	\$ -
Treasury Obligations	24,354,763	-	24,354,763	-
Medium Term Corporate Notes	33,195,989	-	33,195,989	-
Negotiable CD	2,000,000	-	2,000,000	-
Supranational	10,796,798	-	10,796,798	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	2,727,683	2,727,683	-	-
Total Investments Measured at Fair Value	146,121,918	\$ 3,227,683	\$ 142,894,235	\$ -
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	65,000,000			
California Asset Management Program	35,000,000			
Total Pooled and Directed Investments	\$ 246,121,918			

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019:

	<u>Moody's</u>	<u>S & P</u>	<u>% of Portfolio</u>
Investments in Investment Pool:			
Federal agency obligations	Aaa	AA+	29.48%
Treasury obligations	Aaa	AA+	9.90%
Medium term notes	A1	A+	1.98%
Medium term notes	A1	AA-	1.46%
Medium term notes	A1	A	1.94%
Medium term notes	A2	A	2.93%
Medium term notes	A2	A-	0.69%
Medium term notes	Aa1	AA+	1.15%
Medium term notes	Aa2	AA	1.22%
Medium term notes	Aa3	A+	0.69%
Medium term notes	Aa3	AA-	0.61%
Medium term notes	Aaa	AAA	0.81%
Negotiable CD	P-1	A-1+	0.81%
Money market mutual funds	Aaa	AAA	1.11%
Supranational	Aaa	AAA	3.60%
Supranational	Unrated	Unrated	0.78%
Time Deposit	Unrated	Unrated	0.20%
California Local Agency Investment Fund			
State Pool	Unrated	Unrated	26.42%
Public Financial Management CAMP	Unrated	AAA	14.22%
			<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
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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, 2019, 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 \$105.74 billion. Of that amount, 1.77% was invested in structured notes and asset-backed securities with the remaining 98.23% 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, 2019:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 260,093,232</u>
Equity of Internal Pool Participants	\$ 114,658,642
Equity of External Pool Participants	<u>145,434,590</u>
Total Net Position	<u>\$ 260,093,232</u>

Statement of Changes in Net Position

Net Position for Pool Participants at July 1, 2017	\$ 243,707,595
Net Change in Investments by Pool Participants	<u>16,385,637</u>
Net Position at June 30, 2018	<u>\$ 260,093,232</u>

NOTE 3 ENDOWMENTS

For the year ended June 30, 2019, the net appreciation on investments of donor-restricted endowments was \$6,076. 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
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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	\$ 1,791,978
	Pension Obligation Bonds Fund	6,123,294
	Road Fund	3,620,588
	Internal Service Funds	1,000,000
	Other Governmental Funds	<u>6,017,096</u>
		18,552,956
Mental Health Services Fund	General Fund	18,922
	Pension Obligation Bonds Fund	151,645
	Debt Service Fund	<u>56,149</u>
		226,716
Roads Fund	General Fund	-
	Pension Obligation Bonds Fund	<u>335,595</u>
		335,595
Nonmajor Governmental Funds	General Fund	194,596
	Mental Health Services Fund	6,167
	Pension Obligation Bonds Fund	<u>269,051</u>
		<u>469,814</u>
Internal Service Funds	General Fund	421,914
	Pension Obligation Bonds Fund	<u>42,876</u>
		<u>464,790</u>
Total		<u><u>\$ 20,049,871</u></u>

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2019
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,928,621	\$ -	\$ -	\$ -	\$ 2,928,621
Construction in Progress	15,394,709	10,081,484	-	(2,203,455)	23,272,738
Total Capital Assets, Not Being Depreciated	<u>18,323,330</u>	<u>10,081,484</u>	<u>-</u>	<u>(2,203,455)</u>	<u>26,201,359</u>
Capital Assets, Being Depreciated:					
Infrastructure	98,114,380	-	-	2,013,970	100,128,350
Structures and Improvements	83,075,258	842,055	-	-	83,917,313
Equipment	35,472,407	1,658,666	-	194,509	37,325,582
Improvements Other than Buildings	5,713,268	399,682	-	-	6,112,950
Total Capital Assets, Being Depreciated	<u>222,375,313</u>	<u>2,900,403</u>	<u>-</u>	<u>2,208,479</u>	<u>227,484,195</u>
Less Accumulated Depreciation for:					
Infrastructure	(44,342,268)	(2,615,119)	-	-	(46,957,387)
Structures and Improvements	(44,643,024)	(2,077,708)	-	-	(46,720,732)
Equipment	(26,582,272)	(2,114,255)	-	-	(28,696,527)
Improvements Other than Buildings	(4,405,644)	(237,470)	-	-	(4,643,114)
Total Accumulated Depreciation	<u>(119,973,208)</u>	<u>(7,044,552)</u>	<u>-</u>	<u>-</u>	<u>(127,017,760)</u>
Total Capital Assets, Being Depreciated, Net	<u>102,402,105</u>	<u>(4,144,149)</u>	<u>-</u>	<u>2,208,479</u>	<u>100,466,435</u>
Governmental Activities Capital Assets, Net	<u>\$ 120,725,435</u>	<u>\$ 5,937,335</u>	<u>\$ -</u>	<u>\$ 5,024</u>	<u>\$ 126,667,794</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,007,790
Public Protection	1,453,669
Public Ways and Facilities	3,294,735
Health and Sanitation	437,731
Public Assistance	559,397
Education	67,186
Recreation and Culture	39,429
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	<u>184,615</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 7,044,552</u>

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 LONG-TERM LIABILITIES

Individual issues of loans, bonds and certificates of participation outstanding at June 30, 2019, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2019
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	<u>\$ 91,945,000</u>	<u>\$50,250,000</u>
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	<u>\$ 25,810,000</u>	<u>\$ 17,130,000</u>

A. Summary of Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities:					
Refunding Certificates of Participation	\$ 18,280,000	\$ -	\$ (1,150,000)	\$ 17,130,000	\$ 1,190,000
Bonds Payable	55,135,000	-	(4,885,000)	50,250,000	5,155,000
Compensated Absences	4,746,975	102,011	-	4,848,986	4,848,986
Liability for Self-Insurance	3,434,055	13,551,096	(13,333,987)	3,651,164	3,651,164
Landfill Postclosure Costs	10,352,154	-	(532,550)	9,819,604	480,843
Total Governmental Activities	<u>\$ 91,948,184</u>	<u>\$ 13,653,107</u>	<u>\$ (19,901,537)</u>	<u>\$ 85,699,754</u>	<u>\$ 15,325,993</u>

As of June 30, 2019, 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
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	2,155,000	494,886	6,390,000	1,423,170
2025 - 2029	8,120,000	1,417,538	21,470,000	1,904,389
2030	1,830,000	78,690	-	-
Total	<u>\$ 17,130,000</u>	<u>\$4,437,704</u>	<u>\$50,250,000</u>	<u>\$12,312,303</u>

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

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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 \$897,000 during the year ended June 30, 2019.

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 \$4,848,986. Based on historical experience County employees utilize substantially all accrued compensated absences within the following fiscal year. As such, the County considers the entire balance of compensated absences liability to be current.

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 \$9,819,604 reported as landfill closure/postclosure liability at June 30, 2019, 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 2019. 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	Year of Closure	Estimated Liability at June 30, 2019
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	1994	\$ 2,053,891
South Coast Landfill	Mendocino County	100%	Pending	5,583,772
Laytonville Landfill	Mendocino County	100%	1997	2,181,941
Total				<u>\$ 9,819,604</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, 2019, investments of \$3,806,902 are held for

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

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 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 and Laytonville Landfill are closed. The County is in the process of closing South Coast Landfill and is 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	126,667,794
Outstanding Principal of Capital-Related Debt	(17,130,000)
Net Position, Net Investment in Capital Assets	109,537,794

Fund Balances

Details of the fund balance classifications of governmental funds as of June 30, 2019 are as follows:

	General	Debt Service	Pension Obligation Bonds	Mental Health Services	Road	Other Governmental Funds	Total
Nonspendable							
Inventory	\$ 177,128	\$ -	\$ -	\$ -	\$ 534,381	\$ -	\$ 711,509
Restricted for:							
Road Projects	-	-	-	-	3,451,435	-	3,451,435
Public Protection	2,125,933	-	-	-	-	-	2,125,933
Public Assistance	4,702,978	-	-	-	-	-	4,702,978
Health Services	1,501,166	-	-	-	-	8,768,436	10,269,602
Mental Health	-	-	-	5,006,722	-	10,001,077	15,007,799
Special Districts	-	-	-	-	-	1,244,334	1,244,334
Various Grant							
Programs	-	-	-	-	-	8,065,878	8,065,878
Endowments	-	-	-	-	-	669,443	669,443
Debt Service	-	1,981,714	7,757,558	-	-	-	9,739,272
Total Restricted	8,330,077	1,981,714	7,757,558	5,006,722	3,451,435	28,749,168	55,276,674
Assigned:							
Retirement	4,500,000	-	-	-	-	-	4,500,000
General reserve	11,787,010	-	-	-	-	-	11,787,010
Contracted services	9,599,679	-	-	-	-	771,182	10,370,861
Total Assigned	25,886,689	-	-	-	-	771,182	26,657,871
Unassigned	12,335,863	-	-	-	-	(21,822)	12,314,041
Total Fund Balance	\$ 46,729,757	\$ 1,981,714	\$ 7,757,558	\$ 5,006,722	\$ 3,985,816	\$ 29,498,528	\$ 94,960,095

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
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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.

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

COUNTY OF MENDOCINO
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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). 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.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2018 for 2018-2019 (based on the June 30, 2018 valuation) was 34.27% 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, 2018 for 2018-2019 (based on the June 30, 2018 valuation) was 9.65% 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.

For the year ended June 30, 2019, the contributions for the Plan was as follows:

Contributions - Employer	<u>\$ 22,826,962</u>
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B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the County reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	<u>\$ 190,043,076</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, 2018, 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, 2018. 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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	95.17%
Proportion - June 30, 2018	<u>96.23%</u>
Change - Increase (Decrease)	1.060%

For the year ended June 30, 2019, the County recognized net pension expense of \$28,856,318. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 7,553,834	\$ 1,637,154
Changes in Assumptions	7,743,011	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	10,046,008
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions	1,822,335	-
County's Contributions Subsequent to the Measurement Date	<u>22,826,962</u>	<u>-</u>
Total	<u>\$ 39,946,142</u>	<u>\$ 11,683,162</u>

The County reported \$22,826,962 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, 2020. 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>
2020	\$ 14,719,131
2021	2,161,160
2022	(9,187,600)
2023	<u>(2,256,673)</u>
Total	<u>5,436,018</u>

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
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, 2018 valuation were based on the results of a April 14, 2017 actuarial experience study for the period July 1, 2013 – June 30, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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	\$ 280,232,562
Current Discount Rate	7.00%
Net Pension Liability	\$ 190,043,076
1% Increase	8.00%
Net Pension Liability	\$ 115,731,582

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.

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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, 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 \$455,859.

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, 2019, 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 \$855,523 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, 2019**

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 \$2,339,782.

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, 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>
Claims Liability, July 1, 2018	\$ 397,381	\$ 860,287	\$ 2,176,387	\$ 3,434,055
Current Year Claims and Changes in Estimates	253,871	706,824	12,590,401	13,551,096
Claims Payments	(195,393)	(711,588)	(12,427,006)	(13,333,987)
Claims Liability, June 30, 2019	<u>\$ 455,859</u>	<u>\$ 855,523</u>	<u>\$ 2,339,782</u>	<u>\$ 3,651,164</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, 2019:

Fund	Amount in Excess
Debt Service Fund	\$ 7,226
Recorder Modernization Fund	\$ 181
Disaster Recovery Fund	\$ 96,007



REQUIRED SUPPLEMENTARY INFORMATION



**COUNTY OF MENDOCINO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

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

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)				
	June 30, 2019 (June 30, 2018)	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	96.23%	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	\$ 190,043,076	\$ 186,099,824	\$ 193,097,508	\$ 154,924,361	\$ 130,705,221
County's Covered Payroll	\$ 61,443,717	\$ 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	309.30%	329.18%	354.35%	298.29%	257.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.49%	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, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 22,826,962	\$ 19,650,882	\$ 18,209,544	\$ 17,950,331	\$ 14,139,041
Contributions Related to the Actuarially Determined Contribution	<u>22,826,962</u>	<u>19,650,882</u>	<u>18,209,544</u>	<u>17,950,331</u>	<u>14,139,041</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 63,901,466	\$ 61,443,717	\$ 56,534,158	\$ 54,492,771	\$ 51,937,992
Contributions as a Percentage of Covered Payroll	35.72%	31.98%	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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 73,772,735	\$ 73,772,735	\$ 80,295,504	\$ 6,522,769
Licenses and Permits	3,600,629	4,202,363	4,551,088	348,725
Fines, Forfeits, and Penalties	1,487,134	1,608,030	1,383,428	(224,602)
Revenue From Use of Money and Property	568,330	568,330	1,201,501	633,171
Intergovernmental	91,986,359	93,666,211	82,031,232	(11,634,979)
Charges for Services	10,178,267	10,627,910	10,501,300	(126,610)
Other Revenue	1,259,839	1,273,839	1,510,886	237,047
Total Revenues	182,853,293	185,719,418	181,474,939	(4,244,479)
EXPENDITURES				
Current:				
General government:				
Assessor	1,666,853	1,666,853	1,371,956	294,897
Auditor-Controller	1,325,845	1,325,845	1,373,304	(47,459)
Board Of Supervisors	773,592	774,592	765,345	9,247
Buildings & Grounds	4,048,054	4,048,054	3,684,235	363,819
Clerk Of The Board	540,581	540,581	477,568	63,013
County Clerk	245,078	245,078	233,566	11,512
County Clerk-Election	503,430	503,430	427,202	76,228
County Counsel	1,062,784	1,062,784	1,196,084	(133,300)
County Executive Office	1,003,185	1,003,185	964,367	38,818
County Garage	(18,490)	(18,490)	104,263	(122,753)
Economic Development	572,414	630,327	647,720	(17,393)
Employee Wellness/Assistance	64,360	64,360	40,293	24,067
Engineering & Technical Assist	938,888	938,888	908,280	30,608
General Services	270,459	270,459	277,545	(7,086)
Human Resources	1,239,152	1,286,782	1,293,426	(6,644)
Information Services	3,346,553	3,449,596	3,270,872	178,724
Miscellaneous Budget	1,702,544	1,772,544	1,578,149	194,395
Nondepartmental Revenue	(2,600,000)	(2,600,000)	(2,595,366)	(4,634)
Retirement	616,422	616,422	599,746	16,676
Treasurer-Tax Collector	784,692	784,692	813,362	(28,670)
Total general government	18,086,396	18,365,982	17,431,917	934,065
Public protection:				
Agriculture Dept	1,040,155	1,463,908	1,409,146	54,762
Alternate Defender	787,300	787,300	915,209	(127,909)
Animal Control	1,354,391	1,417,580	1,414,331	3,249
Cannabis Management	874,575	799,770	585,574	214,196
Child Support Services	2,787,884	2,787,884	2,497,936	289,948
Courts-Ab233 Program	1,322,938	1,326,538	1,304,890	21,648
District Attorney	5,515,319	5,563,080	5,445,143	117,937
Emergency Svc Cd Safety	348,905	370,450	240,987	129,463
Grand Jury	87,599	87,599	77,038	10,561
Indigent Defense	350,000	350,000	501,038	(151,038)
Juvenile Hall	2,280,179	2,280,179	1,955,112	325,067
Mendocino County Jail	13,935,698	13,940,213	14,274,948	(334,735)
Mendocino County Sheriff	20,611,068	20,684,252	20,629,001	55,251
Planning & Building Services	4,762,188	5,480,584	5,273,598	206,986
Probation Officer	5,639,228	5,639,228	4,988,049	651,179
Public Defender	2,495,661	2,495,661	2,581,800	(86,139)
Total public protection	64,193,088	65,474,226	64,093,800	1,380,426

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public ways and facilities:				
DOT - Mendocino Cty Airport	113,424	113,424	109,243	4,181
DOT - Round Valley Airport	84,450	84,450	35,035	49,415
Total public ways and facilities	<u>197,874</u>	<u>197,874</u>	<u>144,278</u>	<u>53,596</u>
Health and sanitation:				
Alcohol/Other Drug Program	2,457,605	2,550,572	1,877,633	672,939
Emergency Medical Services	992,988	1,002,988	447,584	555,404
Employee Wellness/Assistance	287,805	287,805	298,439	(10,634)
Environmental Health	2,680,073	2,711,682	2,291,139	420,543
Hospital /Medical Services	376,000	376,000	319,404	56,596
Mendocino County Solid Waste	232,101	232,101	210,645	21,456
Public Health	2,515,531	2,774,380	2,558,252	216,128
Public Health Nursing	3,078,667	3,078,667	1,993,788	1,084,879
Public Health-Ccs	1,116,873	1,151,510	770,204	381,306
Total health and sanitation	<u>13,737,643</u>	<u>14,165,705</u>	<u>10,767,088</u>	<u>3,398,617</u>
Public assistance:				
Calworks/Foster Care	24,566,940	24,566,940	23,204,504	1,362,436
General Relief	581,786	581,786	573,775	8,011
Health & Human Services Admin	(131,934)	(234,723)	262,115	(496,838)
In Home Support Services	5,017,684	5,017,684	4,770,748	246,936
Social Services	46,854,815	47,318,934	41,216,775	6,102,159
Total public assistance	<u>76,889,291</u>	<u>77,250,621</u>	<u>70,027,917</u>	<u>7,222,704</u>
Education:				
Farm Advisor	231,155	231,155	238,163	(7,008)
Total education	<u>231,155</u>	<u>231,155</u>	<u>238,163</u>	<u>(7,008)</u>
Recreation and culture:				
Mendocino Cnty Museum	585,772	585,772	485,981	99,791
Total recreation and culture	<u>585,772</u>	<u>585,772</u>	<u>485,981</u>	<u>99,791</u>
Debt Service:				
Principal	3,500,000	3,500,000	3,758,225	(258,225)
Interest and Fiscal Charges	100,000	100,000	312,653	(212,653)
Total debt service	<u>3,600,000</u>	<u>3,600,000</u>	<u>4,070,878</u>	<u>(470,878)</u>
Total expenditures	<u>177,521,219</u>	<u>179,871,335</u>	<u>167,260,022</u>	<u>12,611,313</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,332,074	5,848,083	14,214,917	8,366,834
OTHER FINANCING SOURCES (USES)				
Transfers In	766,999	491,399	407,558	(83,841)
Transfers Out	(8,401,700)	(12,650,957)	(14,508,167)	(1,857,210)
Total Other Financing Sources (Uses)	<u>(7,634,701)</u>	<u>(12,159,558)</u>	<u>(14,100,609)</u>	<u>(1,941,051)</u>
NET CHANGE IN FUND BALANCES	(2,302,627)	(6,311,475)	114,308	6,425,783
Budgetary Fund Balances - Beginning of Year	<u>29,340,295</u>	<u>29,340,295</u>	<u>29,340,295</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ 27,037,668</u>	<u>\$ 23,028,820</u>	<u>\$ 29,454,603</u>	<u>\$ 6,425,783</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

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

Total Revenues from the Budgetary Comparison Schedule	\$ 181,474,939
Revenues from funds combined with the General Fund, previously reported as special revenue funds prior to implementation of GASB 54	3,357,925
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>(3,758,225)</u>
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u><u>\$ 181,074,639</u></u>
Total expenditures from the budgetary comparison schedule	\$ 167,260,022
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,123,294)
Expenditures from funds combined with the General Fund, previously reported as special revenue funds prior to implementation of GASB 54	2,820,756
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>(3,758,225)</u>
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u><u>\$ 160,199,259</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ (142)	\$ (142)	\$ 78,156	\$ 78,298
Intergovernmental	23,083,787	26,238,585	24,718,758	(1,519,827)
Charges for Services	378,442	4,888,837	5,732,418	843,581
Other Revenues	12,500	12,500	174,169	161,669
Total Revenues	<u>23,474,587</u>	<u>31,139,780</u>	<u>30,703,501</u>	<u>(436,279)</u>
EXPENDITURES				
Current:				
Health and Sanitation	<u>26,799,651</u>	<u>34,308,859</u>	<u>30,871,595</u>	<u>3,437,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(3,325,064)	(3,169,079)	(168,094)	3,000,985
OTHER FINANCING SOURCES (USES)				
Transfers In	4,508,203	168,684	6,167	(162,517)
Transfers Out	(4,017,311)	(224,834)	(226,716)	(1,882)
Total Other Financing Sources (Uses)	<u>490,892</u>	<u>(56,150)</u>	<u>(220,549)</u>	<u>(164,399)</u>
NET CHANGE IN FUND BALANCES				
	(2,834,172)	(3,225,229)	(388,643)	2,836,586
Fund Balances - Beginning of Year	<u>5,395,365</u>	<u>5,395,365</u>	<u>5,395,365</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,561,193</u></u>	<u><u>\$ 2,170,136</u></u>	<u><u>\$ 5,006,722</u></u>	<u><u>\$ 2,836,586</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 75,556	\$ 75,556	\$ 62,031	\$ (13,525)
Licenses, Permits, and Franchises	47,000	47,000	59,181	12,181
Revenue From Use of Money and Property	50,000	50,000	78,597	28,597
Fines, Forfeitures, and Penalties	40,000	40,000	49,416	9,416
Intergovernmental	26,371,155	26,371,155	12,189,753	(14,181,402)
Charges for Services	117,105	117,105	846,114	729,009
Other Revenues	10,300	10,300	100,921	90,621
Total Revenues	<u>26,711,116</u>	<u>26,711,116</u>	<u>13,386,013</u>	<u>(13,325,103)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	<u>29,946,369</u>	<u>30,705,287</u>	<u>20,044,925</u>	<u>10,660,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,235,253)</u>	<u>(3,994,171)</u>	<u>(6,658,912)</u>	<u>(2,664,741)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,620,588	3,620,588	3,620,588	-
Transfers Out	<u>(344,820)</u>	<u>(344,820)</u>	<u>(335,595)</u>	<u>9,225</u>
Total Other Financing Sources (Uses)	<u>3,275,768</u>	<u>3,275,768</u>	<u>3,284,993</u>	<u>9,225</u>
NET CHANGE IN FUND BALANCES	40,515	(718,403)	(3,373,919)	(2,655,516)
Fund Balances - Beginning of Year	<u>7,359,735</u>	<u>7,359,735</u>	<u>7,359,735</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 7,400,250</u></u>	<u><u>\$ 6,641,332</u></u>	<u><u>\$ 3,985,816</u></u>	<u><u>\$ (2,655,516)</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

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 following Special Revenue Funds: the Special Aviation Fund, the Supplemental Law Enforcement Fund, 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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 37,500	\$ 37,500	\$ -	\$ (37,500)
Revenue From Use of Money and Property	(5,000)	(5,000)	(6,273)	(1,273)
Fines, Forfeitures, and Penalties	11,500	11,500	11,500	-
Total Revenues	<u>44,000</u>	<u>44,000</u>	<u>5,227</u>	<u>(38,773)</u>
EXPENDITURES				
Current:				
General Government	3,600	3,600	10,828	(7,228)
Debt Service:				
Principal	1,150,000	1,150,000	1,150,000	-
Interest	717,400	717,400	717,398	2
Total Expenditures	<u>1,871,000</u>	<u>1,871,000</u>	<u>1,878,226</u>	<u>(7,226)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,827,000)</u>	<u>(1,827,000)</u>	<u>(1,872,999)</u>	<u>(45,999)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,827,000</u>	<u>1,827,000</u>	<u>1,848,127</u>	<u>21,127</u>
NET CHANGE IN FUND BALANCES	-	-	(24,872)	(24,872)
Fund Balances - Beginning of Year	<u>2,006,586</u>	<u>2,006,586</u>	<u>2,006,586</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,006,586</u></u>	<u><u>\$ 2,006,586</u></u>	<u><u>\$ 1,981,714</u></u>	<u><u>\$ (24,872)</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ (32,900)	\$ (32,900)	\$ (36,730)	\$ (3,830)
Other Revenues	-	-	436,867	436,867
Total Revenues	<u>(32,900)</u>	<u>(32,900)</u>	<u>400,137</u>	<u>433,037</u>
EXPENDITURES				
Current:				
General Government	4,600	4,600	4,069	531
Debt Service:				
Principal	4,885,000	4,885,000	4,885,000	-
Interest	<u>2,978,276</u>	<u>2,978,276</u>	<u>2,978,276</u>	<u>-</u>
Total Expenditures	<u>7,867,876</u>	<u>7,867,876</u>	<u>7,867,345</u>	<u>531</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,900,776)</u>	<u>(7,900,776)</u>	<u>(7,467,208)</u>	<u>433,568</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,922,461</u>	<u>422,461</u>
NET CHANGE IN FUND BALANCES	(1,400,776)	(1,400,776)	(544,747)	856,029
Fund Balances - Beginning of Year	<u>8,302,305</u>	<u>8,302,305</u>	<u>8,302,305</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,901,529</u></u>	<u><u>\$ 6,901,529</u></u>	<u><u>\$ 7,757,558</u></u>	<u><u>\$ 856,029</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.

- **INTER-GOVERNMENTAL TRANSFER**

The Health and Human Services Agency (HHS) maximizes realignment funds by participating in the Inter-Governmental Transfer (IGT) opportunity with Partnership HealthPlan of California (PHC) to access additional Medi-Cal funding to provide services to Medi-Cal eligible beneficiaries. This fund accounts for the realignment health services funds and other federal funds awarded to support the health and wellbeing of Medi-Cal beneficiaries throughout Mendocino County.

- **WHOLE PERSON CARE**

The Whole Person Care fund accounts for Medi-Cal 2020 grants, awarded through California's Section 115(a) Medicaid Waiver, for the Health and Human Services Agency's Whole Person Care Pilot Program, which aims to improve the wellbeing of Mendocino County residents experiencing mental illness, social isolation and/or poor health through enhanced inter-agency collaboration, peer support, and care coordination.

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

**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

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.

PERMANET 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, 2019**

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
ASSETS				
Cash and Investments in County Treasury	\$ 1,441,812	\$ 115,122	\$ 155,060	\$ 429,135
Imprest Cash	395	-	-	-
Accounts Receivable	189	-	-	-
Taxes Receivable	348,319	-	-	-
Due From Other Governmental Agencies	4,448	-	-	-
Total Assets	<u>\$ 1,795,163</u>	<u>\$ 115,122</u>	<u>\$ 155,060</u>	<u>\$ 429,135</u>
LIABILITIES				
Accounts Payable	\$ 76,233	\$ 500	\$ -	\$ -
Accrued Salaries and Benefits	85,260	-	-	3,048
Total Liabilities	<u>161,493</u>	<u>500</u>	<u>-</u>	<u>3,048</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	4,448	-	-	-
FUND BALANCE				
Restricted	1,629,222	114,622	155,060	426,087
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,629,222</u>	<u>114,622</u>	<u>155,060</u>	<u>426,087</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,795,163</u>	<u>\$ 115,122</u>	<u>\$ 155,060</u>	<u>\$ 429,135</u>

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
ASSETS				
Cash and Investments in County Treasury	\$ 319,956	\$ 90,276	\$ 89,648	\$ 3,258
Imprest Cash	-	-	-	-
Accounts Receivable	-	1,146	374	92
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	-	-	-	-
	<u>\$ 319,956</u>	<u>\$ 91,422</u>	<u>\$ 90,022</u>	<u>\$ 3,350</u>
LIABILITIES				
Accounts Payable	-	-	-	394
Accrued Salaries and Benefits	-	-	-	3,136
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,530</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	319,956	91,422	90,022	-
Assigned	-	-	-	-
Unassigned	-	-	-	(180)
Total Fund Balances	<u>319,956</u>	<u>91,422</u>	<u>90,022</u>	<u>(180)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 319,956</u>	<u>\$ 91,422</u>	<u>\$ 90,022</u>	<u>\$ 3,350</u>

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Mental Health Treatment
ASSETS				
Cash and Investments in County Treasury	\$ 4,773,501	\$ 483,434	\$ 834,793	\$ 8,572,179
Imprest Cash	-	-	200	-
Accounts Receivable	521,748	-	-	-
Taxes Receivable	-	-	-	821,567
Due From Other Governmental Agencies	1,062,237	-	202,040	609,581
Total Assets	<u>\$ 6,357,486</u>	<u>\$ 483,434</u>	<u>\$ 1,037,033</u>	<u>\$ 10,003,327</u>
LIABILITIES				
Accounts Payable	\$ 256,802	\$ 260	\$ 91,591	\$ 2,250
Accrued Salaries and Benefits	62,629	-	30,603	-
Total Liabilities	<u>319,431</u>	<u>260</u>	<u>122,194</u>	<u>2,250</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	798,568	-	153,679	-
FUND BALANCE				
Restricted	5,239,487	483,174	761,160	10,001,077
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>5,239,487</u>	<u>483,174</u>	<u>761,160</u>	<u>10,001,077</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,357,486</u>	<u>\$ 483,434</u>	<u>\$ 1,037,033</u>	<u>\$ 10,003,327</u>

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue			
	Disaster Recovery	Inter- governmental Transfer	Whole Person Care	Capital Projects
ASSETS				
Cash and Investments in County Treasury	\$ 174,628	\$ 7,557,983	\$ 1,557,201	\$ 816,858
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	1,100,695	-	-	-
Total Assets	\$ 1,275,323	\$ 7,557,983	\$ 1,557,201	\$ 816,858
LIABILITIES				
Accounts Payable	\$ 187,500	\$ 65,448	\$ 269,276	\$ 45,676
Accrued Salaries and Benefits	8,770	-	12,024	-
Total Liabilities	196,270	65,448	281,300	45,676
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,100,695	-	-	-
FUND BALANCE				
Restricted	-	7,492,535	1,275,901	-
Assigned	-	-	-	771,182
Unassigned	(21,642)	-	-	-
Total Fund Balances	(21,642)	7,492,535	1,275,901	771,182
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,275,323	\$ 7,557,983	\$ 1,557,201	\$ 816,858

**COUNTY OF MENDOCINO
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Permanent Fund Endowment Funds	Total
ASSETS		
Cash and Investments in County Treasury	\$ 669,443	\$ 28,084,287
Imprest Cash	-	595
Accounts Receivable	-	523,549
Taxes Receivable	-	1,169,886
Due From Other Governmental Agencies	-	2,979,001
	<u>\$ 669,443</u>	<u>\$ 32,757,318</u>
LIABILITIES		
Accounts Payable	\$ -	\$ 995,930
Accrued Salaries and Benefits	-	205,470
Total Liabilities	-	1,201,400
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	2,057,390
FUND BALANCE		
Restricted	669,443	28,749,168
Assigned	-	771,182
Unassigned	-	(21,822)
Total Fund Balances	<u>669,443</u>	<u>29,498,528</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 669,443</u>	<u>\$ 32,757,318</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
REVENUES				
Taxes	\$ 2,058,557	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	106,901	-	-	163,091
Revenue From Use of Money and Property	34,954	1,793	-	6,150
Fines, Forfeitures, and Penalties	-	9,626	-	-
Charges for Services	58,217	-	-	-
Other Revenue	9,879	-	-	-
Total Revenues	<u>2,268,508</u>	<u>11,419</u>	<u>-</u>	<u>169,241</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	7,891	-	78,305
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,734,069	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,734,069</u>	<u>7,891</u>	<u>-</u>	<u>78,305</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,465,561)</u>	<u>3,528</u>	<u>-</u>	<u>90,936</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,326,243	-	-	-
Transfers Out	(292,698)	-	-	(4,373)
Total Other Financing Sources (Uses)	<u>1,033,545</u>	<u>-</u>	<u>-</u>	<u>(4,373)</u>
NET CHANGE IN FUND BALANCES	(432,016)	3,528	-	86,563
Fund Balances - Beginning of Year	<u>2,061,238</u>	<u>111,094</u>	<u>155,060</u>	<u>339,524</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,629,222</u>	<u>\$ 114,622</u>	<u>\$ 155,060</u>	<u>\$ 426,087</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	240,241	-	-	-
Revenue From Use of Money and Property	3,031	1,250	1,789	(425)
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	15,710	71,949
Other Revenue	-	63,444	-	17,244
Total Revenues	<u>243,272</u>	<u>64,694</u>	<u>17,499</u>	<u>88,768</u>
EXPENDITURES				
Current:				
General Government	-	-	49,181	84,223
Public Protection	-	21,062	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>21,062</u>	<u>49,181</u>	<u>84,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>243,272</u>	<u>43,632</u>	<u>(31,682)</u>	<u>4,545</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(4,725)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,725)</u>
NET CHANGE IN FUND BALANCES	243,272	43,632	(31,682)	(180)
Fund Balances - Beginning of Year	<u>76,684</u>	<u>47,790</u>	<u>121,704</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 319,956</u>	<u>\$ 91,422</u>	<u>\$ 90,022</u>	<u>\$ (180)</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Mental Health Treatment
REVENUES				
Taxes	\$ -	\$ 84,398	\$ 162,631	\$ 8,555,373
Licenses, Permits, and Franchises	-	-	339,713	-
Aid from other governmental agencies	7,550,410	625	653,471	-
Revenue From Use of Money and Property	-	-	22,097	69,470
Fines, Forfeitures, and Penalties	40,000	-	23,271	-
Charges for Services	91,913	-	18,514	-
Other Revenue	1,991	412	7,484	-
Total Revenues	<u>7,684,314</u>	<u>85,435</u>	<u>1,227,181</u>	<u>8,624,843</u>
EXPENDITURES				
Current:				
General government	75,000	-	-	-
Public protection	995,318	-	476,017	-
Public ways and facilities	-	49,520	-	-
Health and sanitation	2,580,668	-	1,502,692	31,389
Public assistance	18,913	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,669,899</u>	<u>49,520</u>	<u>1,978,709</u>	<u>31,389</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,014,415</u>	<u>35,915</u>	<u>(751,528)</u>	<u>8,593,454</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	40,000	-
Transfers Out	(86,514)	-	(44,871)	-
Total Other Financing Sources (Uses)	<u>(86,514)</u>	<u>-</u>	<u>(4,871)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,927,901	35,915	(756,399)	8,593,454
Fund Balances - Beginning of Year	<u>1,311,586</u>	<u>447,259</u>	<u>1,517,559</u>	<u>1,407,623</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,239,487</u>	<u>\$ 483,174</u>	<u>\$ 761,160</u>	<u>\$ 10,001,077</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Special Revenue			
	Disaster Recovery	Inter- governmental Transfer	Whole Person Care	Capital Projects
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	375,026	7,894,217	3,664,919	-
Revenue From Use of Money and Property	-	-	-	12,801
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	1,598	-	437,358	-
Other Revenue	-	-	-	-
Total Revenues	<u>376,624</u>	<u>7,894,217</u>	<u>4,102,277</u>	<u>12,801</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	1,545,849	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	2,483,911	3,667,582	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	828,613
Total Expenditures	<u>1,545,849</u>	<u>2,483,911</u>	<u>3,667,582</u>	<u>828,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,169,225)</u>	<u>5,410,306</u>	<u>434,695</u>	<u>(815,812)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	702,120	2,092,853	855,880	1,000,000
Transfers Out	(11,335)	(10,624)	(14,674)	-
Total Other Financing Sources (Uses)	<u>690,785</u>	<u>2,082,229</u>	<u>841,206</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCES	(478,440)	7,492,535	1,275,901	184,188
Fund Balances - Beginning of Year	<u>456,798</u>	<u>-</u>	<u>-</u>	<u>586,994</u>
FUND BALANCES - END OF YEAR	<u>\$ (21,642)</u>	<u>\$ 7,492,535</u>	<u>\$ 1,275,901</u>	<u>\$ 771,182</u>

**COUNTY OF MENDOCINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2019**

	Permanent Fund Endowment Funds	Total
REVENUES		
Taxes	\$ -	\$ 10,860,959
Licenses, Permits, and Franchises	-	339,713
Aid from other governmental agencies	-	20,648,901
Revenue From Use of Money and Property	(87,399)	65,511
Fines, Forfeitures, and Penalties	-	72,897
Charges for Services	-	695,259
Other Revenue	-	100,454
Total Revenues	(87,399)	32,783,694
EXPENDITURES		
Current:		
General government	-	208,404
Public protection	-	3,124,442
Public ways and facilities	-	49,520
Health and sanitation	-	10,266,242
Public assistance	-	18,913
Education	-	3,734,069
Recreation and Culture	-	-
Capital Outlay	-	828,613
Total Expenditures	-	18,230,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(87,399)	14,553,491
OTHER FINANCING SOURCES (USES)		
Transfers In	-	6,017,096
Transfers Out	-	(469,814)
Total Other Financing Sources (Uses)	-	5,547,282
NET CHANGE IN FUND BALANCES	(87,399)	20,100,773
Fund Balances - Beginning of Year	756,842	9,397,755
FUND BALANCES - END OF YEAR	\$ 669,443	\$ 29,498,528

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 2,058,557	\$ 58,557
Revenue From Use of Money and Property	30,000	30,000	34,954	4,954
Intergovernmental	-	117,500	106,901	(10,599)
Charges for Services	50,000	50,000	58,217	8,217
Other Revenues	12,000	12,000	9,879	(2,121)
Total Revenues	<u>2,092,000</u>	<u>2,209,500</u>	<u>2,268,508</u>	<u>59,008</u>
EXPENDITURES				
Current:				
Education	<u>3,956,594</u>	<u>4,074,094</u>	<u>3,734,069</u>	<u>340,025</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,864,594)	(1,864,594)	(1,465,561)	399,033
OTHER FINANCING SOURCES (USES)				
Transfers In	1,326,243	1,326,243	1,326,243	-
Transfers Out	(187,500)	(445,138)	(292,698)	152,440
Total Other Financing Sources (Uses)	<u>1,138,743</u>	<u>881,105</u>	<u>1,033,545</u>	<u>152,440</u>
NET CHANGE IN FUND BALANCES	(725,851)	(983,489)	(432,016)	551,473
Fund Balances - Beginning of Year	<u>2,061,238</u>	<u>2,061,238</u>	<u>2,061,238</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,335,387</u></u>	<u><u>\$ 1,077,749</u></u>	<u><u>\$ 1,629,222</u></u>	<u><u>\$ 551,473</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
FISH AND GAME FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ 320	\$ 320	\$ 1,793	\$ 1,473
Fines, Forfeitures, and Penalties	35,000	35,000	9,626	(25,374)
Charges for Services	-	-	-	-
Other Revenues	113	113	-	(113)
Total Revenues	<u>35,433</u>	<u>35,433</u>	<u>11,419</u>	<u>(24,014)</u>
EXPENDITURES				
Current:				
Public Protection	<u>59,930</u>	<u>59,930</u>	<u>7,891</u>	<u>52,039</u>
NET CHANGE IN FUND BALANCES	(24,497)	(24,497)	3,528	28,025
Fund Balances - Beginning of Year	<u>111,094</u>	<u>111,094</u>	<u>111,094</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 86,597</u></u>	<u><u>\$ 86,597</u></u>	<u><u>\$ 114,622</u></u>	<u><u>\$ 28,025</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
COPS AB 1913 FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ -	\$ -	\$ 3,031	\$ 3,031
Intergovernmental	248,697	248,697	240,241	(8,456)
Total Revenues	<u>248,697</u>	<u>248,697</u>	<u>243,272</u>	<u>(5,425)</u>
EXPENDITURES				
Current:				
Public Protection	<u>440,313</u>	<u>440,313</u>	<u>-</u>	<u>440,313</u>
NET CHANGE IN FUND BALANCES	(191,616)	(191,616)	243,272	434,888
Fund Balances - Beginning of Year	<u>76,684</u>	<u>76,684</u>	<u>76,684</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (114,932)</u></u>	<u><u>\$ (114,932)</u></u>	<u><u>\$ 319,956</u></u>	<u><u>\$ 434,888</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
RECORDER MODERNIZATION FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ 500	\$ 500	\$ 1,789	\$ 1,289
Charges for Services	70,000	70,000	15,710	(54,290)
Total Revenues	<u>70,500</u>	<u>70,500</u>	<u>17,499</u>	<u>(53,001)</u>
EXPENDITURES				
Current:				
General Government	<u>4,000</u>	<u>49,000</u>	<u>49,181</u>	<u>(181)</u>
NET CHANGE IN FUND BALANCES	66,500	21,500	(31,682)	(53,182)
Fund Balances - Beginning of Year	<u>121,704</u>	<u>121,704</u>	<u>121,704</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 188,204</u></u>	<u><u>\$ 143,204</u></u>	<u><u>\$ 90,022</u></u>	<u><u>\$ (53,182)</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
MICROGRAPHICS FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ -	\$ -	\$ (425)	\$ (425)
Charges for Services	70,699	70,699	71,949	1,250
Other Revenues	20,000	20,000	17,244	(2,756)
Total Revenues	<u>90,699</u>	<u>90,699</u>	<u>88,768</u>	<u>(1,931)</u>
EXPENDITURES				
Current:				
General Government	<u>90,699</u>	<u>90,699</u>	<u>84,223</u>	<u>6,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	4,545	4,545
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(4,725)</u>	<u>(4,725)</u>
NET CHANGE IN FUND BALANCES	-	-	(180)	(180)
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>\$ (180)</u></u>	<u><u>\$ (180)</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ -	\$ -	\$ 40,000	\$ 40,000
Intergovernmental	3,735,568	4,246,488	7,550,410	3,303,922
Charges for Services	218,748	218,748	91,913	(126,835)
Other Revenues	1,500	1,500	1,991	491
Total Revenues	<u>3,955,816</u>	<u>4,466,736</u>	<u>7,684,314</u>	<u>3,217,578</u>
EXPENDITURES				
Current:				
General Government	-	-	75,000	(75,000)
Public Ways and Facilities	978,437	977,719	995,318	(17,599)
Health and Sanitation	2,937,889	3,461,989	2,580,668	881,321
Public Assistance	138,598	138,598	18,913	119,685
Total Expenditures	<u>4,054,924</u>	<u>4,578,306</u>	<u>3,669,899</u>	<u>908,407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(99,108)	(111,570)	4,014,415	4,125,985
OTHER FINANCING SOURCES (USES)				
Transfers In	45,659	45,659	-	(45,659)
Transfers Out	(45,659)	(45,659)	(86,514)	(40,855)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(86,514)</u>	<u>(86,514)</u>
NET CHANGE IN FUND BALANCES	(99,108)	(111,570)	3,927,901	4,039,471
Fund Balances - Beginning of Year	<u>1,311,586</u>	<u>1,311,586</u>	<u>1,311,586</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,212,478</u>	<u>\$ 1,200,016</u>	<u>\$ 5,239,487</u>	<u>\$ 4,039,471</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS LIGHTING FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 77,490	\$ 77,490	\$ 84,398	\$ 6,908
Intergovernmental	745	745	625	(120)
Other Revenues	-	-	412	412
Total Revenues	<u>78,235</u>	<u>78,235</u>	<u>85,435</u>	<u>7,200</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	49,730	49,730	49,520	210
Total Expenditures	<u>49,730</u>	<u>49,730</u>	<u>49,520</u>	<u>210</u>
NET CHANGE IN FUND BALANCES	28,505	28,505	35,915	7,410
Fund Balances - Beginning of Year	<u>447,259</u>	<u>447,259</u>	<u>447,259</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 475,764</u></u>	<u><u>\$ 475,764</u></u>	<u><u>\$ 483,174</u></u>	<u><u>\$ 7,410</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS OTHER FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 150,390	\$ 150,390	\$ 162,631	\$ 12,241
Licenses, Permits, and Franchises	271,500	271,500	339,713	68,213
Revenue From Use of Money and Property	6,300	6,300	22,097	15,797
Fines, Forfeitures, and Penalties	5,200	5,200	23,271	18,071
Intergovernmental	825,420	855,420	653,471	(201,949)
Charges for Services	14,000	14,000	18,514	4,514
Other Revenues	2,550	2,550	7,484	4,934
Total Revenues	<u>1,275,360</u>	<u>1,305,360</u>	<u>1,227,181</u>	<u>(78,179)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	408,075	470,294	476,017	(5,723)
Health and Sanitation	877,714	1,728,487	1,502,692	225,795
Total Expenditures	<u>1,285,789</u>	<u>2,198,781</u>	<u>1,978,709</u>	<u>220,072</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,429)	(893,421)	(751,528)	141,893
OTHER FINANCING SOURCES (USES)				
Transfers In	40,000	40,000	40,000	141,893
Transfers Out	-	-	(44,871)	(44,871)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>(4,871)</u>	<u>97,022</u>
NET CHANGE IN FUND BALANCES	29,571	(853,421)	(756,399)	238,915
Fund Balances - Beginning of Year	<u>1,517,559</u>	<u>1,517,559</u>	<u>1,517,559</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,547,130</u>	<u>\$ 664,138</u>	<u>\$ 761,160</u>	<u>\$ 238,915</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
DISASTER RECOVERY FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 397,722	\$ 397,722	\$ 375,026	\$ (22,696)
Charges for Services	-	-	1,598	1,598
Total Revenues	<u>397,722</u>	<u>397,722</u>	<u>376,624</u>	<u>(21,098)</u>
EXPENDITURES				
Current:				
Public Protection	<u>1,099,842</u>	<u>1,449,842</u>	<u>1,545,849</u>	<u>(96,007)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(702,120)	(1,052,120)	(1,169,225)	(117,105)
OTHER FINANCING SOURCES (USES)				
Transfers In	702,120	702,120	702,120	-
Transfers Out	-	-	(11,335)	(11,335)
Total Other Financing Sources (Uses)	<u>702,120</u>	<u>702,120</u>	<u>690,785</u>	<u>(11,335)</u>
NET CHANGE IN FUND BALANCES	-	(350,000)	(478,440)	(128,440)
Fund Balances - Beginning of Year	<u>456,798</u>	<u>456,798</u>	<u>456,798</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 456,798</u></u>	<u><u>\$ 106,798</u></u>	<u><u>\$ (21,642)</u></u>	<u><u>\$ (128,440)</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
INTER-GOVERNMENTAL TRANSFERS FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,160,000	\$ 6,160,000	\$ 7,894,217	\$ 1,734,217
EXPENDITURES				
Current:				
Health and Sanitation	2,790,000	2,987,710	2,483,911	503,799
Total Expenditures	<u>2,790,000</u>	<u>2,987,710</u>	<u>2,483,911</u>	<u>503,799</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,370,000	3,172,290	5,410,306	2,238,016
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,092,853	2,092,853
Transfers Out	(250,000)	(52,290)	(10,624)	41,666
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(52,290)</u>	<u>2,082,229</u>	<u>2,134,519</u>
NET CHANGE IN FUND BALANCES	3,120,000	3,120,000	7,492,535	4,372,535
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 3,120,000</u></u>	<u><u>\$ 3,120,000</u></u>	<u><u>\$ 7,492,535</u></u>	<u><u>\$ 4,372,535</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
WHOLE PERSON CARE FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,680,845	\$ 3,680,845	\$ 3,664,919	\$ (15,926)
Charges for Services	-	318,635	437,358	118,723
Total Revenues	<u>3,680,845</u>	<u>3,999,480</u>	<u>4,102,277</u>	<u>102,797</u>
EXPENDITURES				
Current:				
Health and Sanitation	<u>4,597,702</u>	<u>4,700,491</u>	<u>3,667,582</u>	<u>1,032,909</u>
Total Expenditures	<u>4,597,702</u>	<u>4,700,491</u>	<u>3,667,582</u>	<u>1,032,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(916,857)	(701,011)	434,695	1,135,706
OTHER FINANCING SOURCES (USES)				
Transfers In	416,857	98,222	855,880	757,658
Transfers Out	-	-	(14,674)	(14,674)
Total Other Financing Sources (Uses)	<u>416,857</u>	<u>98,222</u>	<u>841,206</u>	<u>742,984</u>
NET CHANGE IN FUND BALANCES	(500,000)	(602,789)	1,275,901	1,878,690
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ (500,000)</u>	<u>\$ (602,789)</u>	<u>\$ 1,275,901</u>	<u>\$ 1,878,690</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue From Use of Money and Property	\$ -	\$ -	\$ 12,801	\$ 12,801
EXPENDITURES				
Current:				
Capital Outlay	1,164,000	2,164,000	828,613	1,335,387
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,164,000)</u>	<u>(2,164,000)</u>	<u>(815,812)</u>	<u>1,348,188</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,000,000	1,000,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,164,000)	(1,164,000)	184,188	1,348,188
Fund Balances - Beginning of Year	<u>586,994</u>	<u>586,994</u>	<u>586,994</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (577,006)</u>	<u>\$ (577,006)</u>	<u>\$ 771,182</u>	<u>\$ 1,348,188</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, 2019**

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	\$ 2,527,348	\$ 64,563	\$ 568,025	\$ 1,442,694
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Due From Other Governments	-	-	-	207,278
Total Current Assets	<u>2,527,348</u>	<u>64,563</u>	<u>568,025</u>	<u>1,649,972</u>
NONCURRENT ASSETS				
Capital Assets:				
Nondepreciable	-	-	-	-
Depreciable, Net	368,772	283,469	-	-
Total Noncurrent Assets	<u>368,772</u>	<u>283,469</u>	<u>-</u>	<u>-</u>
Total Assets	2,896,120	348,032	568,025	1,649,972
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	43,323	-	-	36,576
Accrued Salaries and Benefits	-	-	-	5,045
Compensated Absences Payable	-	-	-	15,302
Liability for Unpaid Claims	-	-	455,859	855,523
Total Current Liabilities	<u>43,323</u>	<u>-</u>	<u>455,859</u>	<u>912,446</u>
Total Liabilities	43,323	-	455,859	912,446
NET POSITION				
Net Investment in Capital Assets	368,772	283,469	-	-
Unrestricted	<u>2,484,025</u>	<u>64,563</u>	<u>112,166</u>	<u>737,526</u>
Total Net Position	<u>\$ 2,852,797</u>	<u>\$ 348,032</u>	<u>\$ 112,166</u>	<u>\$ 737,526</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

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	\$ 967,994	\$ 5,921,408	\$ 11,492,032
Other Cash	-	45,606	45,606
Accounts Receivable	-	11,491	11,491
Due From Other Governments	-	-	207,278
Total Current Assets	<u>967,994</u>	<u>5,978,505</u>	<u>11,756,407</u>
NONCURRENT ASSETS			
Capital Assets:			
Nondepreciable	-	-	-
Depreciable, Net	-	-	652,241
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>652,241</u>
Total Assets	967,994	5,978,505	12,408,648
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	1,199	132,247	213,345
Accrued Salaries and Benefits	4,178	24,146	33,369
Compensated Absences Payable	-	9,337	24,639
Liability for Unpaid Claims	-	2,339,782	3,651,164
Total Current Liabilities	<u>5,377</u>	<u>2,505,512</u>	<u>3,922,517</u>
Total Liabilities	5,377	2,505,512	3,922,517
NET POSITION			
Net Investment in Capital Assets	-	-	652,241
Unrestricted	<u>962,617</u>	<u>3,472,993</u>	<u>7,833,890</u>
Total Net Position	<u>\$ 962,617</u>	<u>\$ 3,472,993</u>	<u>\$ 8,486,131</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
OPERATING REVENUES				
Charges and Fees	\$ -	\$ -	\$ 200,000	\$ 1,750,704
Other Revenues	-	-	-	-
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>1,750,704</u>
OPERATING EXPENSES				
Salaries and Benefits	-	-	-	124,551
Services and Supplies	467,832	-	861	468,827
Insurance	-	-	-	778,791
Depreciation	35,286	149,329	-	-
Claims and Judgments	-	-	253,871	706,823
Total Operating Expenses	<u>503,118</u>	<u>149,329</u>	<u>254,732</u>	<u>2,078,992</u>
OPERATING INCOME (LOSS)	(503,118)	(149,329)	(54,732)	(328,288)
NONOPERATING REVENUES (EXPENSES)				
Other Revenues	-	-	-	413,440
Interest Revenue (Expense)	39,572	1,703	9,598	24,843
Total Nonoperating Revenues	<u>39,572</u>	<u>1,703</u>	<u>9,598</u>	<u>438,283</u>
INCOME (LOSS) BEFORE TRANSFERS	(463,546)	(147,626)	(45,134)	109,995
TRANSFERS IN	1,000,000	-	-	-
TRANSFERS OUT	<u>-</u>	<u>(45,448)</u>	<u>-</u>	<u>(42,526)</u>
CHANGE IN NET POSITION	536,454	(193,074)	(45,134)	67,469
Net Position - Beginning of Year	<u>2,316,343</u>	<u>541,106</u>	<u>157,300</u>	<u>670,057</u>
NET POSITION - END OF YEAR	<u>\$ 2,852,797</u>	<u>\$ 348,032</u>	<u>\$ 112,166</u>	<u>\$ 737,526</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Workers' Compensation	Health Insurance	Total
OPERATING REVENUES			
Charges and Fees	\$ 5,066,265	\$ 11,524,046	\$ 18,541,015
Other Revenues	-	7,491	7,491
Total Operating Revenues	5,066,265	11,531,537	18,548,506
OPERATING EXPENSES			
Salaries and Benefits	97,708	528,465	750,724
Services and Supplies	32,222	673,694	1,643,436
Insurance	4,817,895	1,140,949	6,737,635
Depreciation	-	-	184,615
Claims and Judgments	-	12,590,401	13,551,095
Total Operating Expenses	4,947,825	14,933,509	22,867,505
OPERATING INCOME (LOSS)	118,440	(3,401,972)	(4,318,999)
NONOPERATING REVENUES (EXPENSES)			
Other Revenues	5,670	-	419,110
Interest Revenue (Expense)	1,232	100,875	177,823
Total Nonoperating Revenues	6,902	100,875	596,933
INCOME (LOSS) BEFORE TRANSFERS	125,342	(3,301,097)	(3,722,066)
TRANSFERS IN	-	-	1,000,000
TRANSFERS OUT	(4,710)	(372,106)	(464,790)
CHANGE IN NET POSITION	120,632	(3,673,203)	(3,186,856)
Net Position - Beginning of Year	841,985	7,146,196	11,672,987
NET POSITION - END OF YEAR	\$ 962,617	\$ 3,472,993	\$ 8,486,131

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts From Interfund Services Provided	\$ -	\$ -	\$ 200,000	\$ 1,543,426
Cash Paid to Employees for Services	-	-	-	(123,272)
Cash Paid to Suppliers for Goods and Services	(521,575)	-	(196,254)	(1,945,285)
Net Cash Provided (Used) by Operating Activities	(521,575)	-	3,746	(525,131)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Receipts	-	-	-	413,440
Transfers In	1,000,000	-	-	-
Transfers Out	-	(45,448)	-	(42,526)
Net Cash Provided (Used) by Noncapital Financing Activities	1,000,000	(45,448)	-	370,914
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(214,573)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(214,573)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	39,572	1,703	9,598	24,843
Net Cash Provided (Used) by Investing Activities	39,572	1,703	9,598	24,843
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	303,424	(43,745)	13,344	(129,374)
Cash and Cash Equivalents - Beginning of Year	2,223,924	108,308	554,681	1,572,068
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,527,348</u>	<u>\$ 64,563</u>	<u>\$ 568,025</u>	<u>\$ 1,442,694</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (503,118)	\$ (149,329)	\$ (54,732)	\$ (328,288)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	35,286	149,329	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	-	-	-	(207,278)
Increase (Decrease) in:				
Accounts Payable	(53,743)	-	-	13,920
Accrued Salaries	-	-	-	513
Compensated Absences	-	-	-	766
Claims Liability	-	-	58,478	(4,764)
Net Cash Provided (Used) by Operating Activities	<u>\$ (521,575)</u>	<u>\$ -</u>	<u>\$ 3,746</u>	<u>\$ (525,131)</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Interfund Services Provided	\$ 5,066,265	\$ 11,673,135	\$ 18,482,826
Cash Paid to Employees for Services	(96,631)	(524,464)	(744,367)
Cash Paid to Suppliers for Goods and Services	(4,850,492)	(14,202,476)	(21,716,082)
Net Cash Provided (Used) by Operating Activities	119,142	(3,053,805)	(3,977,623)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Other Receipts	5,670	-	419,110
Transfers In	-	-	1,000,000
Transfers Out	(4,710)	(372,106)	(464,790)
Net Cash Provided (Used) by Noncapital Financing Activities	960	(372,106)	954,320
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	(214,573)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(214,573)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	1,232	100,875	177,823
Net Cash Provided (Used) by Investing Activities	1,232	100,875	177,823
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	121,334	(3,325,036)	(3,060,053)
Cash and Cash Equivalents - Beginning of Year	846,660	9,292,050	14,597,691
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 967,994	\$ 5,967,014	\$ 11,537,638
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 118,440	\$ (3,401,972)	\$ (4,318,999)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	184,615
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	141,598	(65,680)
Increase (Decrease) in:			
Accounts Payable	(375)	39,173	(1,025)
Accrued Salaries	1,077	3,706	5,296
Compensated Absences	-	295	1,061
Claims Liability	-	163,395	217,109
Net Cash Provided (Used) by Operating Activities	\$ 119,142	\$ (3,053,805)	\$ (3,977,623)

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 FIDUCIARY NET POSITION
 INVESTMENT TRUST FUND
 JUNE 30, 2019**

	Special Districts Local Boards	School Districts	Total
ASSETS			
Cash and Investments in County Treasury	\$ 14,588,762	\$ 130,845,828	\$ 145,434,590
NET POSITION			
Reserved for Pool Participants	\$ 14,588,762	\$ 130,845,828	\$ 145,434,590

**COUNTY OF MENDOCINO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2019**

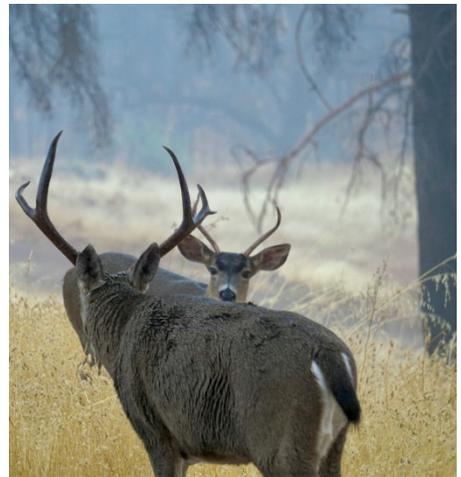
	County Departmental	Unapportioned Taxes	Total
ASSETS			
Cash and Investments	\$ 15,436,512	\$ -	\$ 15,436,512
Taxes and Assessments Receivable	-	12,976,633	12,976,633
Total Assets	\$ 15,436,512	\$ 12,976,633	\$ 28,413,145
 LIABILITIES			
Fiduciary Liabilities	\$ 15,436,512	\$ 12,976,633	\$ 28,413,145
Total Liabilities	\$ 15,436,512	\$ 12,976,633	\$ 28,413,145

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<u>County Departmental</u>				
ASSETS				
Cash and Investments	\$ 12,767,441	\$ 347,774,014	\$ 345,104,943	\$ 15,436,512
LIABILITIES				
Agency Fund Obligations	\$ 12,767,441	\$ 347,774,014	\$ 345,104,943	\$ 15,436,512
<u>Unapportioned Taxes</u>				
ASSETS				
Cash and Investments	\$ 1,108,580	\$ 320,503,602	\$ 321,612,182	\$ -
Taxes Receivable	11,969,586	1,007,047	-	12,976,633
Total Assets	<u>\$ 13,078,166</u>	<u>\$ 321,510,649</u>	<u>\$ 321,612,182</u>	<u>\$ 12,976,633</u>
LIABILITIES				
Agency Fund Obligations	<u>\$ 13,078,166</u>	<u>\$ 321,510,649</u>	<u>\$ 321,612,182</u>	<u>\$ 12,976,633</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and Investments	\$ 13,876,021	\$ 668,277,616	\$ 666,717,125	\$ 15,436,512
Taxes Receivable	11,969,586	1,007,047	-	12,976,633
Total Assets	<u>\$ 25,845,607</u>	<u>\$ 669,284,663</u>	<u>\$ 666,717,125</u>	<u>\$ 28,413,145</u>
LIABILITIES				
Agency Fund Obligations	<u>\$ 25,845,607</u>	<u>\$ 669,284,663</u>	<u>\$ 666,717,125</u>	<u>\$ 28,413,145</u>



STATISTICAL SECTION



Blacktail deer, Mendocino County, CA; photos by Dave Gibson



**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)

	Fiscal Year Ended June 30,				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:					
Net investment in capital assets	73,869	74,585	74,699	75,464	77,487
Restricted	21,403	25,669	23,253	29,746	30,589
Unrestricted	<u>(50,296)</u>	<u>(25,297)</u>	<u>(31,191)</u>	<u>(26,506)</u>	<u>(28,097)</u>
Total Primary Government Net Position	<u>44,976</u>	<u>74,957</u>	<u>66,761</u>	<u>78,704</u>	<u>79,979</u>
	(2)	(2)	(2)	(2)	(2)
	Fiscal Year Ended June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:					
Net investment in capital assets	83,929	89,588	94,282	102,445	109,538
Restricted	29,584	30,684	33,815	50,179	70,808
Unrestricted	<u>(162,305)</u>	<u>(159,976)</u>	<u>(163,487)</u>	<u>(177,033)</u>	<u>(177,546)</u>
Total Primary Government Net Position	<u>(48,792)</u>	<u>(39,704)</u>	<u>(35,390)</u>	<u>(24,409)</u>	<u>2,800</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.

**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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses (by function)					
Governmental Activities:					
General government	16,022	16,205	17,900	12,977	15,163
Public protection	49,759	49,125	48,624	49,524	52,834
Public ways and facilities	11,425	12,916	12,784	13,697	13,130
Health and sanitation	38,171	35,846	35,317	30,084	35,195
Public assistance	56,795	58,643	55,459	54,622	58,200
Education	1,612	1,713	1,754	2,115	2,635
Recreation and culture	377	255	318	411	454
Debt Service:					
Interest	6,965	6,580	6,808	6,148	4,977
Total Primary Government Expenses	<u>181,126</u>	<u>181,283</u>	<u>178,964</u>	<u>169,578</u>	<u>182,588</u>

	Fiscal Year Ended June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses (by function)					
Governmental Activities:					
General government	15,424	17,558	19,054	18,343	18,901
Public protection	55,033	56,687	64,849	69,949	69,229
Public ways and facilities	15,381	12,394	14,232	13,277	16,113
Health and sanitation	36,322	32,292	30,904	49,695	53,071
Public assistance	58,778	67,853	70,006	72,611	71,373
Education	2,965	3,540	3,685	3,812	4,092
Recreation and culture	611	599	536	461	524
Debt Service:					
Interest	4,710	4,484	4,252	4,087	3,870
Total Primary Government Expenses	<u>189,224</u>	<u>195,407</u>	<u>207,518</u>	<u>232,235</u>	<u>237,173</u>

Source: Mendocino County Auditor-Controller

**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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Program Revenue (by function)					
Governmental Activities:					
General government	3,587	3,738	3,475	2,947	2,911
Public protection	9,555	10,959	8,752	8,105	9,954
Public ways and facilities	477	836	329	303	268
Health and sanitation	6,160	4,996	4,106	4,130	3,218
Public assistance	127	178	281	100	142
Education	49	53	36	49	49
Recreation and culture	-	-	-	-	-
Operating grants and contributions	104,804	111,534	93,886	101,039	102,164
Capital grants and contributions	9,209	4,995	2,666	3,484	4,431
Total Primary Government Program Revenues	<u>133,968</u>	<u>137,289</u>	<u>113,531</u>	<u>120,157</u>	<u>123,137</u>
Total Primary Net Expense	<u>(47,158)</u>	<u>(43,994)</u>	<u>(65,433)</u>	<u>(49,421)</u>	<u>118,160</u>

	Fiscal Year Ended June 30,				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Program Revenue (by function)					
Governmental Activities:					
General government	2,846	3,220	3,731	4,403	9,111
Public protection	9,306	9,987	11,091	9,626	9,602
Public ways and facilities	234	247	263	325	955
Health and sanitation	3,692	4,114	3,843	5,944	10,696
Public assistance	274	219	444	539	523
Education	62	50	57	-	58
Recreation and culture	-	-	-	-	10
Operating grants and contributions	105,656	110,986	115,677	130,234	135,467
Capital grants and contributions	6,410	6,391	4,974	3,756	6,468
Total Primary Government Program Revenues	<u>128,480</u>	<u>135,214</u>	<u>140,080</u>	<u>154,827</u>	<u>172,890</u>
Total Primary Net Expense	<u>(60,744)</u>	<u>(60,193)</u>	<u>(67,438)</u>	<u>(77,408)</u>	<u>(64,282)</u>

Source: Mendocino County Auditor-Controller

**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,				
	2010	2011	2012	2013	2014
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	43,265	41,144	40,622	41,490	41,090
Sales and use taxes	8,159	9,742	10,723	12,752	13,396
Transient occupancy tax	3,256	3,294	3,556	3,618	3,856
Other	207	351	287	334	388
Unrestricted interest and investment earning	1,754	701	1,026	780	375
Gain on sale of assets	-	-	-	-	155
Miscellaneous	1,987	1,590	2,428	1,939	1,467
Change in estimate - OPEB	-	5,654	-	-	-
Special item - Teeter Fund Advance	(10,326)	11,499	-	-	-
Total Primary Government	48,302	73,975	58,642	60,913	60,727
Change in Net Position					
Total Primary Government	1,144	29,981	(6,791)	11,492	60,727
Fiscal Year Ended June 30,					
	2015	2016	2017	2018	2019
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	43,773	46,801	48,171	50,490	51,843
Sales and use taxes	14,687	14,507	14,912	17,480	25,084
Transient occupancy tax	4,491	4,945	5,152	5,682	5,872
Other	426	429	504	2,025	4,660
Unrestricted interest and investment earning	274	431	719	1,396	1,683
Gain on sale of assets	-	-	-	-	-
Miscellaneous	4,258	2,168	2,294	2,638	2,347
Change in estimate - OPEB	-	-	-	-	-
Special item - Teeter Fund Advance	-	-	-	-	-
Total Primary Government	67,909	69,281	71,752	79,711	91,490
Change in Net Position					
Total Primary Government	7,165	9,088	4,314	2,303	27,208

Source: Mendocino County Auditor-Controller

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

	<u>2010</u>	<u>2011</u>	<u>June 30, 2012</u>	<u>2013</u>	<u>2014</u>
General Fund					
Reserved	153	-	-	-	-
Unreserved	(16,493)	-	-	-	-
Nonspendable	-	104	102	77	91
Restricted	-	-	-	-	-
Assigned	-	215	221	-	15,572
Unassigned	-	5,154	12,147	18,682	11,693
Total General Fund	<u>(16,340)</u>	<u>5,473</u>	<u>12,470</u>	<u>18,759</u>	<u>27,356</u>
All Other Governmental Funds					
Reserved	1,604	-	-	-	-
Debt Service	8,305	-	-	-	-
Unreserved, reported in:					
Special revenue funds	(654)	-	-	-	-
Capital projects funds	(9)	-	-	-	-
Debt service funds	899	-	-	-	-
Nonspendable	-	555	597	589	651
Restricted	-	19,025	16,815	20,776	25,281
Assigned	-	-	-	-	-
Unassigned	-	(404)	(9)	(10)	(9)
Total All Other Governmental Funds	<u>10,145</u>	<u>19,176</u>	<u>17,403</u>	<u>21,355</u>	<u>25,923</u>
Total Governmental Funds Balances	<u>(6,195)</u>	<u>24,649</u>	<u>29,873</u>	<u>40,114</u>	<u>53,279</u>
			<u>June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund					
Nonspendable	115	133	115	139	177
Restricted	-	-	-	7,071	8,330
Assigned	19,403	24,390	27,541	29,626	25,887
Unassigned	15,330	12,938	8,931	6,936	12,336
Total General Fund	<u>34,848</u>	<u>37,461</u>	<u>36,587</u>	<u>43,772</u>	<u>46,730</u>
All Other Governmental Funds					
Nonspendable	692	666	525	589	534
Restricted	24,060	24,094	33,357	31,286	46,947
Assigned	-	407	997	587	771
Unassigned	(10)	-	(1)	-	(22)
Total All Other Governmental Funds	<u>24,742</u>	<u>25,167</u>	<u>34,878</u>	<u>32,462</u>	<u>48,230</u>
Total Governmental Funds Balances	<u>59,590</u>	<u>62,628</u>	<u>71,465</u>	<u>76,234</u>	<u>94,960</u>

Note: 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: Mendocino County Auditor-Controller

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues:					
Taxes	53,640	55,006	55,960	58,193	58,730
Licenses, permits and franchises	2,791	2,787	2,723	2,799	2,913
Intergovernmental	106,692	122,755	97,596	101,447	109,770
Revenue from use of money and property	1,531	461	771	735	338
Fines, forfeitures and penalties	2,913	3,752	2,345	1,738	3,019
Charges for Services	13,789	14,613	11,985	10,873	10,676
Other revenues	2,019	1,591	2,428	1,939	1,623
Total Revenues	<u>183,375</u>	<u>200,965</u>	<u>173,808</u>	<u>177,724</u>	<u>187,069</u>
Expenditures					
Current:					
General government	15,195	14,707	13,371	12,786	13,624
Public protection	47,053	46,199	42,969	44,681	47,135
Public ways and facilities	8,724	8,182	9,661	12,999	14,118
Health and sanitation	37,976	34,463	28,999	29,080	28,563
Public assistance	56,560	57,851	52,835	52,733	56,487
Education	1,656	1,658	1,562	1,997	2,459
Recreation and culture	327	247	295	386	421
Debt Service:					
Principal	4,298	4,496	5,269	5,422	4,765
Interest	6,976	6,577	7,453	5,686	5,073
Capital outlay	14,746	7,260	6,229	1,045	1,018
Total Expenditures:	<u>193,511</u>	<u>181,640</u>	<u>168,643</u>	<u>166,815</u>	<u>173,663</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(10,136)</u>	<u>19,325</u>	<u>5,165</u>	<u>10,909</u>	<u>13,406</u>
Other Financing Sources (Uses):					
Debt issued	-	-	-	-	-
Transfers in	18,992	15,363	14,886	15,699	16,454
Transfers out	(18,866)	(15,332)	(15,113)	(15,896)	(16,696)
Issuance of refunding debt			25,810	-	-
Payment to refunded bond escrow agent			(24,130)	-	-
Total Other Financing Sources (Uses)	<u>126</u>	<u>31</u>	<u>1,453</u>	<u>(197)</u>	<u>(242)</u>
Special Item					
Teeter fund advance	<u>(10,326)</u>	<u>11,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary Item:					
RDA Dissolution	<u>-</u>	<u>-</u>	<u>(1,405)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(20,336)</u>	<u>30,855</u>	<u>5,213</u>	<u>10,712</u>	<u>13,164</u>
Debt Service as a Percentage of Non-Capital Expenditures	6.31%	6.35%	7.83%	6.70%	5.70%

Note: Debt Service as a Percentage of Non-Capital Expenditures was determined as follows:
(Principal and Interest) divided by (Total Expenditures less Expenditures for General Capital Assets, Infrastructure and Other Related Capital Assets Adjustments (p. 32))

Source: Mendocino County Auditor-Controller

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,				
	2015	2016	2017	2018	2019
Revenues:					
Taxes	63,378	66,682	68,739	75,677	87,460
Licenses, permits and franchises	2,925	2,812	3,377	4,361	4,963
Intergovernmental	112,479	115,851	124,372	126,097	141,152
Revenue from use of money and property	247	387	622	1,218	1,505
Fines, forfeitures and penalties	1,856	1,940	1,619	1,475	1,517
Charges for Services	11,621	12,995	14,629	15,138	19,408
Other revenues	4,258	2,168	1,849	2,071	2,347
Total Revenues	196,764	202,835	215,207	226,037	258,353
Expenditures					
Current:					
General government	13,854	15,524	15,554	15,732	16,793
Public protection	50,825	55,365	56,020	62,481	64,257
Public ways and facilities	20,052	17,025	14,978	15,349	20,239
Health and sanitation	32,915	32,859	36,814	48,410	52,052
Public assistance	57,052	63,626	65,624	68,936	68,425
Education	2,765	2,998	3,409	3,523	3,965
Recreation and culture	521	551	462	405	468
Debt Service:					
Principal	4,986	5,214	5,470	5,745	6,035
Interest	4,821	4,602	4,376	4,218	4,008
Capital outlay	2,234	1,029	3,706	5,297	2,848
Total Expenditures:	190,025	198,793	206,413	230,096	239,092
Excess (Deficiency) of Revenue Over (Under) Expenditures	6,739	4,042	8,794	(4,059)	19,262
Other Financing Sources (Uses):					
Debt issued	-	-	-	-	-
Transfers in	16,190	17,305	21,279	20,186	19,050
Transfers out	(16,618)	(18,310)	(21,235)	(20,036)	(19,585)
Issuance of refunding debt	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total Other Financing Sources (Uses)	(428)	(1,005)	44	150	(535)
Special Item					
Teeter fund advance	-	-	-	-	-
Extraordinary Item:					
RDA Dissolution	-	-	-	-	-
Net Changes in Fund Balances	6,311	3,037	8,838	(3,909)	18,726
Debt Service as a Percentage of Non-Capital Expenditures	5.22%	4.96%	4.86%	4.60%	4.44%

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

Fiscal Year	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	Total Direct Tax Rate
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%
2019	11,863,702	384,724	(418,358)	11,830,068	1.00%

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 assess 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 limites the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Mendocino County Property Tax Records

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

<u>Fiscal Year</u>	<u>Countywide Levy</u>	<u>Debt Service</u>	<u>Schools</u>	<u>Junior College</u>	<u>Special Districts</u>	<u>Incorporated Cities</u>	<u>Total</u>
2010	1.0000%	0.1990%	0.3490%	0.0610%	0.0380%	0.0060%	1.6530%
2011	1.0000%	0.2070%	0.5290%	0.0570%	0.0440%	0.0060%	1.8430%
2012	1.0000%	0.2300%	0.5110%	0.0560%	0.0390%	0.0060%	1.8420%
2013	1.0000%	0.2330%	0.6110%	0.0560%	0.0400%	0.0000%	1.9400%
2014	1.0000%	0.2590%	0.6040%	0.0540%	0.0280%	0.0000%	1.9450%
2015	1.0000%	0.2600%	0.6520%	0.0540%	0.0280%	0.0000%	1.9940%
2016	1.0000%	0.2620%	0.6040%	0.0500%	0.0320%	0.0000%	1.9480%
2017	1.0000%	0.2700%	0.8700%	0.0700%	0.0100%	0.0000%	2.2200%
2018	1.0000%	0.2990%	0.7770%	0.0690%	0.0150%	0.0000%	2.1600%
2019	1.0000%	0.3130%	0.7910%	0.0680%	0.0130%	0.0000%	2.1850%

Source: Mendocino County Property Tax Records

**COUNTY OF MENDOCINO
PRINCIPAL PROPERTY TAXPAYERS
MOST RECENT YEAR AND NINE YEARS AGO
(IN THOUSANDS OF DOLLARS)**

Fiscal Year Ended June 30, 2019	Business Description	Taxes Levied	% Total Levied
Pacific Gas & Electric Co.	Utility	\$ 3,575,800	2.51%
Mendocino Forest Products, Inc.	Mfg./Sawmill	760,974	0.53%
VCT USA, Inc. (Fetzer)	Vineyard/Winery	707,769	0.50%
Mendocino Redwood Co., LLC	Mfg./Sawmill	516,186	0.36%
Georgia Pacific Corp.	Industrial Site	380,184	0.27%
Waterfowl Wine Co. (Heritage)	Vineyard/Winery	338,965	0.24%
Pacific Bell Telephone Co.	Communication	293,926	0.21%
Lyme Redwood Timberlands, LLC (Hawthorne)	Timberland	284,055	0.20%
Vintage Wine Estates, Inc.	Vineyard/Winery	217,973	0.15%
Pear Orchard Associates	Shopping Center	217,355	0.15%
Total Principal Property Taxpayers		7,293,186	5.12%
All Other Taxes Levied		135,290,644	94.88%
TOTAL		<u>\$142,583,830</u>	<u>100.00%</u>

Fiscal Year Ended June 30, 2010	Business Description	Taxes Levied	% Total Levied
Pacific Gas & Electric Co.	Utility	\$ 1,700,577	1.49%
Fetzer Vineyards	Vineyard/Winery	987,045	0.86%
Georgia Pacific Corp.	Industrial Site	852,469	0.75%
Mendocino Forest Products, Inc.	Mfg./Sawmill	552,217	0.48%
Mendocino Redwood Co., LLC	Mfg./Sawmill	485,311	0.43%
Pacific Bell Telephone Co.	Communication	433,940	0.38%
Hawthorne Timber Co.	Timberland	248,208	0.22%
Pear Orchard Associates	Shopping Center	225,495	0.20%
AT&T Communications, Inc.	Communication	207,057	0.18%
Lantana W Holdings LLC	Hotel	201,922	0.18%
Total Principal Property Taxpayers		5,894,240	5.16%
All Other Taxes Levied		108,228,741	94.84%
TOTAL		<u>\$114,122,981</u>	<u>100.00%</u>

Source: Mendocino County Property Tax Records

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

Fiscal Year	Secured, Unitary & Unsecured Tax Levies	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [3]	Delinquent Amount	% of Levy Delinquent
		Collected Amount	% of Original Levy			
2010	\$ 101,737	\$ 96,825	95.17%	<i>nda</i>	\$ 4,912	4.83%
2011	100,898	96,387	95.53%	<i>nda</i>	4,511	4.47%
2012	100,229	96,589	96.37%	<i>nda</i>	3,640	3.63%
2013	99,945	96,699	96.75%	<i>nda</i>	3,246	3.25%
2014	101,867	98,876	97.06%	<i>nda</i>	2,991	2.94%
2015	103,757	100,788	97.14%	<i>nda</i>	2,969	2.86%
2016	107,494	104,617	97.32%	<i>nda</i>	2,877	2.68%
2017	111,699	108,468	97.11%	<i>nda</i>	3,231	2.89%
2018	116,240	112,818	97.06%	<i>nda</i>	3,422	2.94%
2019	121,182	117,506	96.97%	<i>nda</i>	3,677	3.03%

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. Does not include bond tax or direct tax levies.
3. No data available (*nda*). Collections in Subsequent Years are not available from the County's current property tax system.

Source: Mendocino County Auditor-Controller

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

Type of Business	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Motor Vehicle & Parts Dealers	\$ 109,942	\$ 112,230	\$ 115,334	\$ 125,117	\$ 136,193
Home Furnishings & Appliance Stores	23,122	23,346	24,828	26,922	29,000
Building/Garden Material & Equipment	126,246	125,407	130,832	138,031	142,562
Food and Beverage Stores	95,809	100,071	107,362	109,465	107,522
Gasoline Stations	144,434	173,324	198,884	209,704	211,714
Clothing & Clothing Accessories Stores	26,330	27,186	29,056	31,652	33,875
General Merchandise Stores	81,028	81,200	81,063	81,096	80,647
Food Services and Drinking Places	95,595	97,869	102,203	108,296	116,533
Other Retail	110,834	112,545	116,692	123,091	128,269
Total Retail & Food Services	813,338	853,177	906,255	953,373	986,313
All Other Outlets	253,045	264,175	281,559	307,093	332,657
Totals	<u>1,066,383</u>	<u>1,117,352</u>	<u>1,187,814</u>	<u>1,260,466</u>	<u>1,318,970</u>

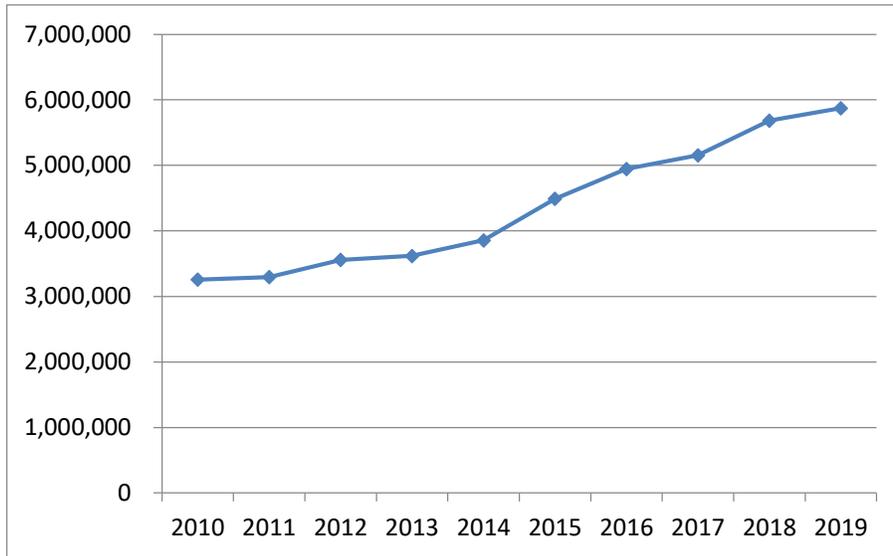
Type of Business	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Motor Vehicle & Parts Dealers	\$ 149,385	\$ 170,993	\$ 181,773	\$ 183,042	\$ 180,355
Home Furnishings & Appliance Stores	29,602	30,461	27,913	27,654	26,134
Building/Garden Material & Equipment	151,499	169,373	176,471	168,996	174,335
Food and Beverage Stores	109,872	113,917	115,181	119,226	112,069
Gasoline Stations	196,341	167,570	169,709	202,565	203,166
Clothing & Clothing Accessories Stores	36,104	38,214	39,382	38,742	40,859
General Merchandise Stores	82,826	87,482	86,588	87,186	145,673
Food Services and Drinking Places	127,399	139,064	144,571	143,818	145,768
Other Retail	132,419	139,921	146,801	148,291	161,435
Total Retail & Food Services	1,015,446	1,056,995	1,088,387	1,119,521	1,189,794
All Other Outlets	340,664	346,703	348,929	347,423	336,996
Totals	<u>1,356,109</u>	<u>1,403,698</u>	<u>1,437,317</u>	<u>1,466,943</u>	<u>1,526,790</u>

Note: Updated values to FY basis. 2016-2019 data is from CDTFA, using quarterly values published through June 30, 2019. 2010-2015 data is from BOE, based on an average of the two CYs included in the FY period.

Source: California Department of Tax and Fee Administration and State Board of Equalization

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

Fiscal Year	Annual Revenue	Growth Rate
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%
2019	5,872,388	3.35%



Source: Mendocino County Auditor-Controller

**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 Debt Limit [2]
	Certificates of Participation	Pension Obligation Bonds	Capital Leases	Long Term Loans			
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	1.89%
2018	18,280	55,135	-	-	73,415	829	1.67%
2019	17,130	50,250	-	-	67,380	760	1.53%

Notes:

1. Shows all debt shown for governmental activities.
2. See the "Demographics and Economic Statistics" schedule for population figures. Prior year figures have been updated with 2018 demographics.

Source: Mendocino County Auditor-Controller

**COUNTY OF MENDOCINO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

Fiscal Year	Total	Legal	Total	Legal	Legal
	Assessed Valuation	Debt Limit [1]	Net Debt Applicable to Exemptions [2]	Debt Margin [3]	Debt Margin/ Debt Limit
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%
2019	11,830,068	147,876	-	147,876	100%

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.

Source: Mendocino County Property Tax Records

**COUNTY OF MENDOCINO
ASSESSED VALUATION
JUNE 30, 2019**

2018-19 Assessed Valuation (includes unitary utility valuation)	\$ 11,830,067,725		County's Share
	Total Debt at	Percentage	of Debt at
<u>DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT</u>	<u>June 30, 2019</u>	<u>Applicable</u>	<u>June 30, 2019</u>
Mendocino County Certificates of Participation	\$ 17,130,000	100.000	\$ 17,130,000
Mendocino County Pension Obligation Bonds	50,250,000	100.000	50,250,000
TOTAL DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT			<u>\$ 67,380,000</u>
 <u>DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT</u>			
Anderson Valley Unified School District	6,680,524	100.000	6,680,524
Arena Union School District	1,324,062	100.000	1,324,062
Fort Bragg Unified School District	18,869,068	100.000	18,869,068
Laytonville Unified School District	8,000,000	100.000	8,000,000
Mendocino Coast Hospital District	7,863,773	100.000	7,863,773
Mendocino Lake Community College District	23,687,339	66.920	15,851,567
Mendocino Unified School District	19,455,000	100.000	19,455,000
Point Arena Joint Union High School District	282,000	59.350	167,367
Potter Valley Unified School District	2,675,000	100.000	2,675,000
Redwoods Joint Community College District	3,688,907	13.660	503,905
Round Valley Unified School District	3,827,738	100.000	3,827,738
Sonoma County Joint Community College District 2002	140,075,000	1.120	1,568,840
Sonoma County Joint Community College District 2014	85,280,000	1.120	955,136
Southern Humboldt Unified School District	9,535,613	2.140	204,062
Ukiah Unified School District	30,581,901	100.000	30,581,901
Willits Unified School District	11,455,785	100.000	11,455,785
TOTAL DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			<u>\$ 129,983,727</u>
 TOTAL DIRECT DEBT			 67,380,000
TOTAL OVERLAPPING DEBT			<u>129,983,727</u>
COMBINED TOTAL DEBT			<u>\$ 197,363,727</u>

RATIOS of 2018-19 ASSESSED VALUATIONS

Total Direct Debt (67,380,000)	0.570%
Total Overlapping Tax and Assessment Debt	1.099%
Total Combined Debt	1.668%

Notes:

1. Percentage of overlapping debt applicable to county is determined using taxable assessed property value. Applicable percentages were determined by the portion of the overlapping district's assessed value that is within the boundaries of the county, divided by the district's total taxable assessed value.
2. Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: Mendocino County Auditor-Controller

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

<u>Fiscal Year</u>	<u>Population [1]</u>	<u>Per Capita Income [1]</u>	<u>Total Personal Income (000's) [1]</u>	<u>Median Age [2]</u>	<u>School Enrollment [3]</u>	<u>Unemployment Rate [4]</u>
2009	87722	\$ 35,506	\$ 3,114,697	40.8	13,305	10.0%
2010	87807	37,124	3,259,748	41.2	12,955	11.6%
2011	87442	38,493	3,365,946	41.4	12,992	11.4%
2012	87409	38,737	3,385,984	41.7	13,049	10.0%
2013	87207	39,814	3,472,065	41.8	13,100	8.3%
2014	87449	42,051	3,677,284	42.0	13,148	7.0%
2015	87353	44,161	3,857,573	42.2	13,009	5.8%
2016	87628	45,436	3,981,438	42.3	13,210	5.3%
2017	88018	47,646	4,193,701	42.7	13,174	4.5%
2018	87606	50,150	4,393,445	42.4	13,203	3.9%
2019	--	--	--	--	13,131	--

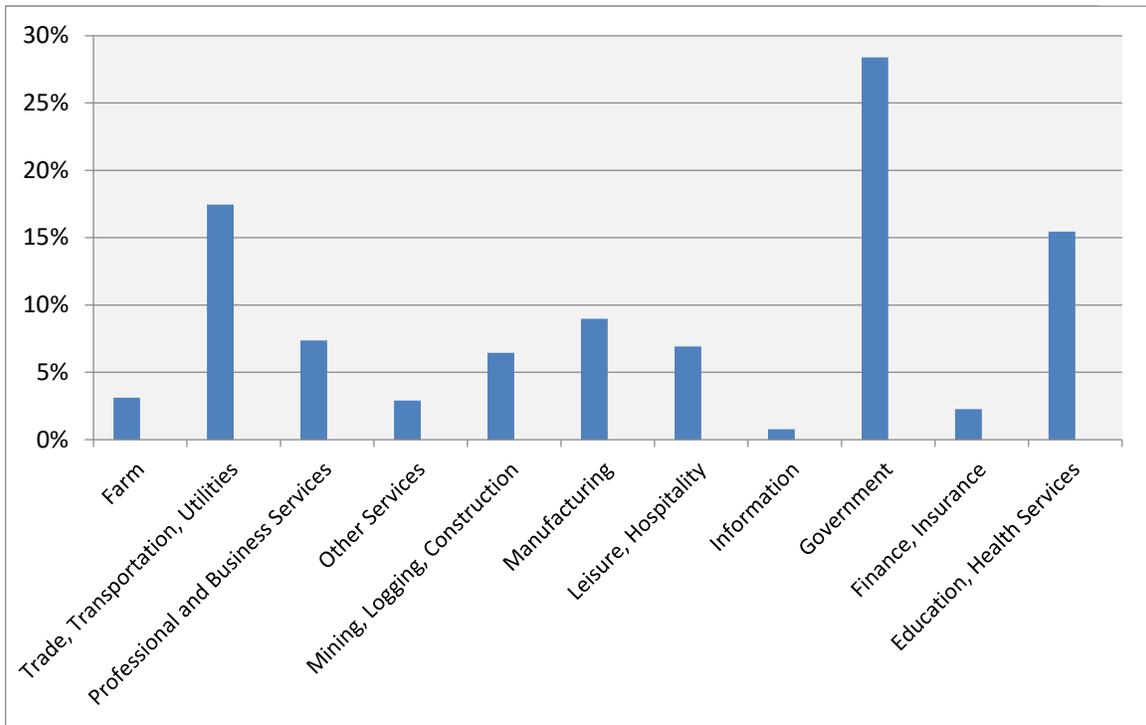
Note: Current Calendar Year data not yet available.

Source:

1. Bureau of Economic Analysis, 2018 data published November 14, 2019
2. California Employment Development Department; Labor Market Info Division
3. California Department of Education, FY 2018-19
4. California Employment Development, Labor Market Info Division; annual (CY) averages through 2018

**COUNTY OF MENDOCINO
INDUSTRY EMPLOYMENT DISTRIBUTION
MOST RECENT YEAR**

<u>Industry Employment Distribution</u>	<u>Compensation</u>	<u>Percent</u>
Farm	\$ 58,453	3.1%
Trade, Transportation, Utilities	327,128	17.4%
Professional and Business Services	137,856	7.4%
Other Services	54,238	2.9%
Mining, Logging, Construction	120,726	6.4%
Manufacturing	168,223	9.0%
Leisure, Hospitality	129,849	6.9%
Information	14,329	0.8%
Government	532,029	28.4%
Finance, Insurance	42,248	2.3%
Education, Health Services	289,632	15.4%
	<u>\$ 1,874,711</u>	<u>100.0%</u>



Source: Bureau of Economic Analysis, 2018 data published November 14, 2019

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

<u>2019 Employers</u>	<u>Industry</u>	<u>Number of Employees [1]</u>	<u>Percentage of 37,880 Total Employment [3]</u>
County of Mendocino	County Services	1000-1250	2.97%
Adventist Health Ukiah Valley	Outpatient Services	500-999	1.98%
Ukiah Unified School District	Education	500-999	1.98%
Fetzer Vineyards	Vineyard/Winery	250-499	0.99%
Frank R Howard Memorial Hospital	Hospitals	250-499	0.99%
Mendocino Coast District Hospital	Hospitals	250-499	0.99%
Mendocino Community Health	Hospitals	250-499	0.99%
Mendocino Forrest Products/Redwood Co.	Manufacturing/Sawmill	250-499	0.99%
CA Dept. of Forestry/Cal Fire	Fire Protection Services	100-249	0.46%
City of Ukiah	City Services	100-249	0.46%
Costco Wholesale	Wholesale Clubs	100-249	0.46%
Coyote Valley Tribe of Pomo Indians	Casinos	100-249	0.46%
Mendocino Lake Community College	Education	100-249	0.46%
Safeway	Grocery	100-249	0.46%
Wal-Mart Stores, Inc.	Retail	100-249	0.46%

<u>2010 Employers</u>	<u>Industry</u>	<u>Number of Employees [2]</u>	<u>Percentage of 37,910 Total Employment [3]</u>
County of Mendocino	County Services	1000-1250	2.97%
Adventist Health Ukiah Valley	Outpatient Services	500-999	1.98%
Ukiah Unified School District	Education	500-999	1.98%
Fetzer Vineyards	Vineyard/Winery	250-499	0.99%
Willits Hospital	Hospitals	250-499	0.99%
Mendocino Coast Auxiliary Hospital	Hospitals	250-499	0.99%
Piedmont Lumber & Mill Co. Inc.	Manufacturing/Sawmill	250-499	0.99%
Harwood Products, Inc.	Manufacturing/Sawmill	100-249	0.46%
Home Depot	Retail	100-249	0.46%
Hopland Band of Pomo Indians	Casinos	100-249	0.46%
Mendocino Coast Health Care	Outpatient Services	100-249	0.46%
Mendocino Lake Community College	Education	100-249	0.46%
Wal-Mart Stores, Inc.	Retail	100-249	0.46%

Notes:

1. Number of Employees reflects a range provided by California Employment Development Department (EDD) Labor Market Information data, updated January, 2019 (edited).
2. Data collected from Center for Economic Development, California State University, Chico, CA (CED); Mendocino County Economic & Demographic Profile, 2009-10 (edited).
3. Percentage of Total Employment reflects an average of the reported range divided by total number of employed for the relevant period (source: EDD).

Source: California Employment Development Department (EDD) and Center for Economic Development (CED).

**COUNTY OF MENDOCINO
COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL										
General Government	150.60	149.60	144.60	140.60	143.10	132.50	134.50	135.50	144.50	145.50
Public Protection	461.80	462.80	434.80	435.80	439.80	440.80	449.80	454.80	462.80	465.80
Public Ways & Facilities	132.40	132.40	130.10	127.10	127.10	126.60	125.60	124.60	127.60	127.60
Health and Sanitation	333.60	332.60	288.90	264.90	251.10	222.20	213.20	208.20	195.80	191.80
Public Assistance	460.00	460.00	439.00	423.00	426.00	423.00	420.00	420.00	421.00	426.00
Recreation & Education	31.75	31.75	29.30	35.55	38.55	40.05	40.05	40.05	44.05	41.05
Total Governmental	<u>1,570.15</u>	<u>1,569.15</u>	<u>1,466.70</u>	<u>1,426.95</u>	<u>1,425.65</u>	<u>1,385.15</u>	<u>1,383.15</u>	<u>1,383.15</u>	<u>1,395.75</u>	<u>1,397.75</u>
SPECIAL DISTRICTS										
Water Resource Agency	4.00	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Air Quality Mgmt District	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Total Special Districts	<u>12.00</u>	<u>12.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>9.00</u>
TOTAL All Positions	<u><u>1,582.15</u></u>	<u><u>1,581.15</u></u>	<u><u>1,476.70</u></u>	<u><u>1,436.95</u></u>	<u><u>1,435.65</u></u>	<u><u>1,395.15</u></u>	<u><u>1,394.15</u></u>	<u><u>1,394.15</u></u>	<u><u>1,406.75</u></u>	<u><u>1,406.75</u></u>

Note: Positions shown are approved budget, full-time equivalent positions

Source: Mendocino County Adopted Budget Book, Position Allocations

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

OPERATION INDICATORS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Assessor (BU 1120)										
Deeds Processed	3,398	3,436	3,629	4,143	3,799	4,074	4,089	4,124	4,046	3,781
Appraisals Completed	<i>nda</i>	8,038	<i>nda</i>	14,319	13,183	12,580	13,611	13,630	13,023	12,449
Elections (BU 1410)										
Registration Cards Processed	5,976	5,574	5,773	7,921	5,012	5,295	17,575	11,078	8,689	22,195
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	27,815	29,859	27,572	27,410	28,037	26,176	23,808	24,317	22,184	25,331
Marriage Licenses Issued	463	514	486	513	593	507	588	548	489	554
Fictitious Business Names Filed	912	873	859	831	862	893	903	912	806	894
PUBLIC PROTECTION										
Adult Corrections (BU 2510)										
Prisoners Booked	6,124	5,199	5,661	5,765	5,597	5,056	4,989	4,007	7,505	4,831
Average Daily Population	255	207	253	266	292	301	305	304	303	286
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	5,432	5,324	4,918	4,615	4,421	4,200	4,003	3,882	3,838	3,799
District Attorney (BU 2070)										
Sentences to State Prison	<i>nda</i>	<i>nda</i>	117	130	97	148	141	151	128	124
Realignment County Prison [1]	<i>nda</i>	<i>nda</i>	44	65	72	95	99	77	64	43
Planning and Building (BU 2851)										
Planning Applications	530	586	481	541	644	765	833	1,448	415	522
Building and Grading Permits	1,563	1,623	1,545	1,806	1,772	1,880	2,020	2,376	2,260	2,938
Building Inspections	8,882	7,718	6,571	8,086	7,282	6,292	5,633	6,389	7,030	9,857
Probation (BU 2560)										
Adult Reports	<i>nda</i>	<i>nda</i>	<i>nda</i>	374	475	571	613	568	524	(CY)
Juvenile Reports	<i>nda</i>	<i>nda</i>	<i>nda</i>	367	280	229	196	127	184	(CY)
Juvenile Hall Bookings [2], (CY)	585	583	504	403	267	296	273	303	311	(CY)
Juvenile Hall AVG Daily Population [2], (CY)	27	24	24	21	11	14	22	20	16	(CY)
Public Defender (BU 2080)										
New Cases	6,079	5,815	4,171	5,401	5,461	4,941	4,417	5,060	5,391	5,819

Notes:

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.

nda - No data available

(CY) - Calendar Year

Source: County Departments

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

OPERATION INDICATORS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC PROTECTION (CONTINUED)										
Sheriff (BU 2310)										
Number of Arrests	2,237	2,274	2,236	2,447	2,259	2,011	2,255	2,157	2,412	1,931
Coroner Case Load	302	284	309	301	344	323	327	359	259	341
Call for Service	37,439	32,926	33,666	38,378	40,023	38,776	45,028	64,204	64,925	70,605
Animal Control (BU 2310)										
Citations	<i>nda</i>	<i>nda</i>	<i>nda</i>	57	82	23	11	21	61	18
Animal Complaint Cases	<i>nda</i>	<i>nda</i>	<i>nda</i>	311	325	308	281	316	292	153
Calls for Service	2,980	4,309	3,124	2,628	3,092	2,902	2,815	3,445	3,319	3,989
Bite-related Calls for Service	<i>nda</i>	<i>nda</i>	<i>nda</i>	177	162	208	188	189	189	175
PUBLIC WAYS AND FACILITIES										
Public Works (BU 3010)										
Road Miles Maintained (CY)	1,012	1,011	1,014	1,014	1,014	1,015	1,015	1,016	1,017	(CY)
Bridges Maintained	152	152	152	152	156	157	157	157	157	157
Miles of Asphalt Overlay	1	0	0	3	0	4	14	14	0	0
Miles of Chip Seal Completed	2	0	0	8	52	9	11	0	8	8
Encroachment Permits Issued	154	152	140	136	120	134	148	133	152	162
Transportation Permits Issued	246	188	189	214	200	269	219	207	255	298
HEALTH AND SANITATION										
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	723	598	616	297	221	262	241	240	226	168
Animal Care (BU 2860)										
Adoptions, Cat	207	239	163	184	238	390	390	364	355	312
Adoptions, Dog	457	578	632	560	518	472	477	454	401	385
Spays and Neuters	1,172	1,720	2,063	1,329	1,304	1,343	1,295	1,398	1,339	1,470
Licenses Sold	12,141	11,222	12,123	11,543	11,466	10,246	10,309	10,128	10,199	10,729
Emergency Medical Services (BU 4016)										
Service Calls	6,051	5,745	5,695	6,463	7,489	8,031	8,441	8,934	9,093	13,660
Environmental Health (BU 4011)										
Well Permits Issued	206	129	118	165	248	225	204	224	183	156
Mental Health (BU 4050)										
AVG Days, Request to Assessment (CY)	12	12	21	13	10	8	9	6	6	(CY)

Notes:

nda - No data available

(CY) - Calendar Year

Source: County Departments

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

OPERATION INDICATORS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC ASSISTANCE										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse (CY)	564	645	687	812	902	912	935	929	840	(CY)
In-Home Supportive Services Case-load (CY)	1,573	1,668	1,680	1,732	1,729	1,759	1,708	1,733	1,788	(CY)
Aid to Indigents (BU 5190)										
Regular General Assistance (CY)	1,196	1,091	969	916	756	576	587	565	524	(CY)
CalWORKS (BU 5130)										
Welfare to Work Participants (CY)	1,217	1,214	1,019	1,209	1,284	1,215	1,032	887	912	(CY)
Out-of-Home Care, AVG Monthly Case-load (BU 5010)										
Foster Care Ongoing (CY)	229	233	225	249	284	272	293	278	271	(CY)
Court Dependent Children (CY)	229	233	225	249	284	272	293	278	271	(CY)
Aid to Adoptions (CY)	<i>nda</i>	<i>nda</i>	<i>nda</i>	340	340	340	340	340	352	(CY)
Military and Veterans Affairs Caseload Items (BU 5010)										
Claims Filed (CY)	809	905	1,111	894	1,181	1,456	917	902	760	(CY)
Veterans Transported to VA Medical	<i>nda</i>									
Social Services (BU 5010)										
CalFresh (CY)	8,935	10,116	10,627	10,470	10,537	10,443	9,981	9,681	11,162	(CY)
Medi-Cal (CY)	15,808	16,098	16,461	17,037	19,615	22,217	24,202	23,784	34,894	(CY)
EDUCATION										
Library (BU 6110)										
Customers Visiting Library	<i>nda</i>	311,970	337,470	431,966	484,180	455,907	458,529	460,870	444,806	451,329

Notes:

nda - No data available

(CY) - Calendar Year

Source: County Departments

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

<u>CAPITAL ASSET STATISTICS</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>	<u>2019</u>
EDUCATION										
Branch Libraries	5	5	5	5	5	5	5	5	5	5
Bookmobiles	1	1	1	1	1	1	1	1	1	1
HEALTH/PUBLIC ASSISTANCE										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	33	27	27	30	31	29	33	45	52	52
FACILITIES, RECREATION & CULTURAL										
Buildings	98	98	98	98	98	98	98	98	98	98
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	<i>nda</i>									
SHERIFF										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	43	45	45	45	44	46	49	52	54	54

Note: *nda* - No data available

Source: County Departments

