

COUNTY OF MENDOCINO

AUDIT REPORT

JUNE 30, 2000

COUNTY OF MENDOCINO

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the County of Mendocino, as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County of Mendocino's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Mendocino at June 30, 2000, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2000 on our consideration of the County of Mendocino's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board of Supervisors and Grand Jury
County of Mendocino

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of County of Mendocino, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purpose of additional analysis and are not a required part of the general purpose financial statements of the County of Mendocino. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

BARTIG, BASLER & RAY, CPAs, INC.



September 7, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

COUNTY OF MENDOCINO

Combined Balance Sheet
All Fund Types and Account Groups
Assets
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
<u>Assets and Other Debits</u>				
Cash and investments	\$ 4,728	\$ 4,490,663	\$ 1,170,646	\$ 6,461
Restricted Assets:				
Cash with fiscal agent	-	-	4,753,697	-
Imprest cash	5,461	366	-	-
Other cash	5,490	-	-	-
Accounts receivable	9,622,586	4,441	69,145	1,128,443
Due from other governmental agencies	-	972,837	-	-
Inventory	247,970	569,050	-	-
Other assets	50	-	-	-
Advances receivable	-	-	-	-
Due from other funds	-	-	-	-
Property, plant and equipment	-	-	-	-
Amount available for retirement of long term debt	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>\$ 9,886,285</u>	<u>\$ 6,037,357</u>	<u>\$ 5,993,488</u>	<u>\$ 1,134,904</u>

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-term Debt	2000	1999
Internal Service	Trust and Agency				
\$ 1,218,948	\$ 25,655,374	\$ -	\$ -	\$ 32,546,820	\$ 11,651,060
-	-	-	-	4,753,697	4,279,134
-	-	-	-	5,827	5,433
-	-	-	-	5,490	5,490
218,712	-	-	-	11,043,327	4,259,620
-	-	-	-	972,837	4,658,961
-	-	-	-	817,020	731,758
-	-	-	-	50	50
280,000	-	-	-	280,000	763,392
-	3,204,500	-	-	3,204,500	2,133,559
1,428,014	-	57,095,888	-	58,523,902	57,089,982
-	-	-	5,838,213	5,838,213	2,843,387
-	-	-	45,704,222	45,704,222	50,761,691
<u>\$ 3,145,674</u>	<u>\$ 28,859,874</u>	<u>\$ 57,095,888</u>	<u>\$ 51,542,435</u>	<u>\$ 163,695,905</u>	<u>\$ 139,183,517</u>

COUNTY OF MENDOCINO

Combined Balance Sheet
All Fund Types and Account Groups
Liabilities and Fund Equity
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
<u>Liabilities, Fund Equity and Other Credits</u>				
Liabilities:				
Accounts payable	\$ 1,531,210	\$ 797,271	\$ 5,889	\$ 22,655
Accrued salaries and benefits	1,016,914	106,045	-	-
Matured principal and interest payable	-	-	149,386	-
Due to other funds	1,220,000	4,500	-	540,000
Advances payable	-	-	-	280,000
Bonds payable	-	-	-	-
Liability for unpaid claims	-	-	-	-
Compensated absences	-	-	-	-
Capital lease obligations	-	-	-	-
Agency obligations	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
Total Liabilities	<u>3,768,124</u>	<u>907,816</u>	<u>155,275</u>	<u>842,655</u>
Fund Equity and Other Credits:				
Retained Earnings:				
Unreserved	-	-	-	-
Investment in general fixed assets	-	-	-	-
Fund Balances:				
Reserved	523,295	617,582	-	47,924
Unreserved	2,136,704	-	-	-
Designated for debt service	-	-	5,838,213	-
Designated for capital projects	-	-	-	244,325
Designated for other	-	642,030	-	-
Undesignated	<u>3,458,162</u>	<u>3,869,929</u>	<u>-</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>6,118,161</u>	<u>5,129,541</u>	<u>5,838,213</u>	<u>292,249</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 9,886,285</u>	<u>\$ 6,037,357</u>	<u>\$ 5,993,488</u>	<u>\$ 1,134,904</u>

The accompanying notes are an integral part of these financial statements

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-term Debt	2000	1999
Internal Service	Trust and Agency				
\$ 1,044,560	\$ -	\$ -	\$ -	\$ 3,401,585	\$ 1,967,533
2,780	-	-	-	1,125,739	2,752,800
-	-	-	-	149,386	2,321,336
1,440,000	-	-	-	3,204,500	2,133,559
-	-	-	-	280,000	763,392
-	-	-	45,390,000	45,390,000	46,395,000
321,073	-	-	-	321,073	1,140,971
4,289	-	-	2,805,909	2,810,198	2,552,372
-	-	-	785,949	785,949	296,179
-	5,779,025	-	-	5,779,025	4,296,054
-	-	-	2,560,577	2,560,577	4,365,816
<u>2,812,702</u>	<u>5,779,025</u>	<u>-</u>	<u>51,542,435</u>	<u>65,808,032</u>	<u>68,985,012</u>
332,972	-	-	-	332,972	65,727
-	-	57,095,888	-	57,095,888	56,147,722
-	23,080,849	-	-	24,269,650	7,188,474
-	-	-	-	2,136,704	-
-	-	-	-	5,838,213	2,843,387
-	-	-	-	244,325	(522,115)
-	-	-	-	642,030	385,343
-	-	-	-	7,328,091	4,089,967
<u>332,972</u>	<u>23,080,849</u>	<u>57,095,888</u>	<u>-</u>	<u>97,887,873</u>	<u>\$ 70,198,505</u>
<u>\$ 3,145,674</u>	<u>\$ 28,859,874</u>	<u>\$ 57,095,888</u>	<u>\$ 51,542,435</u>	<u>\$ 163,695,905</u>	<u>\$ 139,183,517</u>

COUNTY OF MENDOCINO

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended June 30, 2000

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Revenues:					
Taxes	\$ 33,219,313	\$ 341,726	\$ -	\$ -	\$ 33,561,039
Licenses and permits	2,039,893	338,596	-	-	2,378,489
Intergovernmental	58,072,961	12,351,835	-	1,918,507	72,343,303
Fines and forfeits	636,971	421,501	-	465,314	1,523,786
Use of money and property	1,820,375	132,812	4,514	(46,036)	1,911,665
Charges for services	8,500,308	112,376	3,438,588	-	12,051,272
Other	2,199,294	187,709	(15,978)	1,045,852	3,416,877
Total Revenues	106,489,115	13,886,555	3,427,124	3,383,637	127,186,431
Expenditures:					
General Government	14,067,384	1,213,253	24,146	-	15,304,783
Public Protection	28,042,263	295,973	-	-	28,338,236
Public ways and facilities	178,983	12,771,197	-	-	12,950,180
Health and sanitation	16,424,865	565,530	-	-	16,990,395
Public assistance	38,663,386	-	-	-	38,663,386
Education	162,481	1,017,502	-	-	1,179,983
Culture and recreation	206,102	-	-	-	206,102
Capital outlay	-	-	-	2,877,273	2,877,273
Debt Service:					
Principal	-	-	424,525	-	424,525
Interest	-	-	2,130,665	-	2,130,665
Total Expenditures	97,745,464	15,863,455	2,579,336	2,877,273	119,065,528
Excess of Revenues Over (Under) Expenditures	8,743,651	(1,976,900)	847,788	506,364	8,120,903
Other Financing Sources (Uses):					
Operating transfers in	209,450	3,968,134	2,147,038	308,000	6,632,622
Operating transfers out	(6,564,172)	(97,684)	-	-	(6,661,856)
Total Other Financing Sources (Uses)	(6,354,722)	3,870,450	2,147,038	308,000	(29,234)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,388,929	1,893,550	2,994,826	814,364	8,091,669
Fund Balance, Beginning of Fiscal Year	3,729,232	3,235,991	2,843,387	(522,115)	9,286,495
Fund Balance, End of Fiscal Year	\$ 6,118,161	\$ 5,129,541	\$ 5,838,213	\$ 292,249	\$ 17,378,164

The accompanying notes are an integral part of these financial statements.

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General, Special Revenue, and Debt Service Fund Types
For the Fiscal Year Ended June 30, 2000

	General		Variance Favorable Unfavorable
	Budget	Actual	
Revenues:			
Taxes	\$ 32,077,680	\$ 33,219,313	\$ 1,141,633
Licenses and permits	1,918,150	2,039,893	121,743
Intergovernmental	62,552,434	58,072,961	(4,479,473)
Fines and forfeits	1,168,559	636,971	(531,588)
Use of money and property	1,825,489	1,820,375	(5,114)
Charges for services	8,349,743	8,500,308	150,565
Other	2,515,314	2,199,294	(316,020)
Total Revenues	<u>110,407,369</u>	<u>106,489,115</u>	<u>(3,918,254)</u>
Expenditures:			
General Government	14,215,529	14,067,384	148,145
Public Protection	28,344,470	28,042,263	302,207
Public ways and facilities	79,725	178,983	(99,258)
Health and sanitation	17,645,734	16,424,865	1,220,869
Public assistance	44,714,240	38,663,386	6,050,854
Education	182,149	162,481	19,668
Culture and recreation	207,607	206,102	1,505
Debt Service:			
Principal retirement	-	-	-
Interest	-	-	-
Contingencies	215,000	-	215,000
Total Expenditures	<u>105,604,454</u>	<u>97,745,464</u>	<u>7,858,990</u>
Excess of Revenues Over (Under) Expenditures	<u>4,802,915</u>	<u>8,743,651</u>	<u>3,940,736</u>
Other Financing Sources (Uses):			
Operating transfers in	190,182	209,450	19,268
Operating transfers out	(6,356,780)	(6,564,172)	(207,392)
Total Other Financing Sources (Uses)	<u>(6,166,598)</u>	<u>(6,354,722)</u>	<u>(188,124)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,363,683)	2,388,929	3,752,612
Fund Balance, Beginning of Fiscal Year	<u>3,729,232</u>	<u>3,729,232</u>	<u>-</u>
Fund Balance, End of Fiscal Year	<u>\$ 2,365,549</u>	<u>\$ 6,118,161</u>	<u>\$ 3,752,612</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable Unfavorable	Budget	Actual	Variance Favorable Unfavorable
\$ 621,905	\$ 341,726	\$ (280,179)	\$ -	\$ -	\$ -
157,205	338,596	181,391	-	-	-
18,086,325	12,351,835	(5,734,490)	-	-	-
315,000	421,501	106,501	-	-	-
155,567	132,812	(22,755)	218,000	4,514	(213,486)
97,864	112,376	14,512	3,700,000	3,438,588	(261,412)
245,589	187,709	(57,880)	-	(15,978)	(15,978)
<u>19,679,455</u>	<u>13,886,555</u>	<u>(5,792,900)</u>	<u>3,918,000</u>	<u>3,427,124</u>	<u>(490,876)</u>
1,305,012	1,213,253	91,759	13,536	24,146	(10,610)
495,522	295,973	199,549	-	-	-
21,623,947	12,771,197	8,852,750	-	-	-
845,702	565,530	280,172	-	-	-
-	-	-	-	-	-
1,003,956	1,017,502	(13,546)	-	-	-
-	-	-	-	-	-
-	-	-	828,363	424,525	403,838
-	-	-	3,330,757	2,130,665	1,200,092
-	-	-	-	-	-
<u>25,274,139</u>	<u>15,863,455</u>	<u>9,410,684</u>	<u>4,172,656</u>	<u>2,579,336</u>	<u>1,593,320</u>
<u>(5,594,684)</u>	<u>(1,976,900)</u>	<u>3,617,784</u>	<u>(254,656)</u>	<u>847,788</u>	<u>1,102,444</u>
3,912,008	3,968,134	56,126	2,148,272	2,147,038	(1,234)
(74,184)	(97,684)	(23,500)	-	-	-
<u>3,837,824</u>	<u>3,870,450</u>	<u>32,626</u>	<u>2,148,272</u>	<u>2,147,038</u>	<u>(1,234)</u>
(1,756,860)	1,893,550	3,650,410	1,893,616	2,994,826	1,101,210
3,236,073	3,235,991	(82)	2,843,387	2,843,387	-
<u>\$ 1,479,213</u>	<u>\$ 5,129,541</u>	<u>\$ 3,650,328</u>	<u>\$ 4,737,003</u>	<u>\$ 5,838,213</u>	<u>\$ 1,101,210</u>

COUNTY OF MENDOCINO

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2000

	Proprietary Fund Types Internal Service	Fiduciary Fund Types Nonexpendable Trusts	Totals (Memorandum Only)
Operating Revenues:			
Charges and fees	\$ 8,241,719	\$ -	\$ 8,241,719
Interest	-	8,683	8,683
Other	479,539	-	479,539
Total Operating Revenues	<u>8,721,258</u>	<u>8,683</u>	<u>8,729,941</u>
Operating Expenses:			
Salaries and benefits	135,350	-	135,350
Maintenance and repair	106,571	-	106,571
Services and supplies	1,476,502	-	1,476,502
Administration	1,312	3,444	4,756
Insurance	363,146	-	363,146
Depreciation	335,001	-	335,001
Claims and judgements	6,223,179	-	6,223,179
Total Operating Expenses	<u>8,641,061</u>	<u>3,444</u>	<u>8,644,505</u>
Operating Income (Loss)	<u>80,197</u>	<u>5,239</u>	<u>85,436</u>
Nonoperating Revenues (Expenses):			
Interest	(19,126)	-	(19,126)
Gain on sale of fixed assets	22,418	-	22,418
Other	66,065	9,334	75,399
Total Nonoperating Revenues	<u>69,357</u>	<u>9,334</u>	<u>78,691</u>
Income (Loss) Before Operating Transfers	<u>149,554</u>	<u>14,573</u>	<u>164,127</u>
Operating Transfers:			
Operating transfers in	259,457	-	259,457
Operating transfers out	(141,766)	-	(141,766)
Total Operating Transfers	<u>117,691</u>	<u>-</u>	<u>117,691</u>
Net Income (Loss)	267,245	14,573	281,818
Retained Earnings, Beginning of Fiscal Year	<u>65,727</u>	<u>163,379</u>	<u>229,106</u>
Retained Earnings, End of Fiscal Year	<u>\$ 332,972</u>	<u>\$ 177,952</u>	<u>\$ 510,924</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MENDOCINO

Combined Statement of Cash Flows
All Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 2000

	Proprietary Fund Types Internal Service	Fiduciary Fund Types Nonexpendable Trusts	Totals (Memorandum Only)
Cash Flows from Operating Activities:			
Net Income (Loss)	\$ 149,554	\$ 14,573	\$ 164,127
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	335,001	-	335,001
Changes in assets and liabilities:			
Accounts receivable	28,665	-	28,665
Due from other funds	483,392	-	483,392
Accounts payable	957,119	-	957,119
Due to other funds	25,000	-	25,000
Liability for unpaid claims	(819,898)	-	(819,898)
Accrued salaries and benefits	<u>(3,443)</u>	-	<u>(3,443)</u>
Total Adjustments	<u>1,005,836</u>	-	<u>1,005,836</u>
Net Cash Provided (Used) by Operating Activities	<u>1,155,390</u>	<u>14,573</u>	<u>1,169,963</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of property, plant and equipment	<u>(820,755)</u>		<u>(820,755)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(820,755)</u>	-	<u>(820,755)</u>
Cash Flows from Non-Capital and Related Financing Activities			
Tranfers in (out)	<u>117,691</u>		<u>117,691</u>
Net Cash Provided (Used) By Non-Capital and Related Financing Activities	<u>117,691</u>	-	<u>117,691</u>
Net Increase (Decrease) in Cash and Cash Equivalents	452,326	14,573	466,899
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>766,622</u>	<u>163,379</u>	<u>930,001</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 1,218,948</u></u>	<u><u>\$ 177,952</u></u>	<u><u>\$ 1,396,900</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO 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 Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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, Meadowbrook Manor Sanitation District, Mendocino County Air Quality Management District, and Mendocino County Public Facilities Corporation are districts and corporation governed by the County board of supervisors. The component unit's governing body is substantially the same as the primary government, hence, these units are presented by blending them with the primary government.

Discretely Presented Component Units. There are no component units of the County which meet the criteria for discrete presentation.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, 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 consist of its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into nine generic fund types and account groups and four broad fund and group categories. These categories consist of the following:

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds

General Fund – The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds – Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Trust and agency funds are combined together for financial statement purposes.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Account Groups

General Fixed Assets – The general fixed assets account group is used to maintain control and cost information on capital assets owned by the County, other than the capital assets in the proprietary funds. No depreciation has been provided on general fixed assets.

General Long-Term Debt – The general long-term debt account group is used to account for unmatured general long-term indebtedness of the County, other than the long-term debt in the proprietary funds.

C. Basis of Accounting

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting in which revenues are recognized in the accounting period in which they become available and measurable, and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The exception is unmatured principal and interest on general long-term debt, which should be recognized when due. Significant revenue sources that have been treated as “susceptible to accrual” under the modified accrual basis include taxes, interest, rentals, and intergovernmental revenues. Inventory items in the general fund are considered expenditures when used, the consumption method; and inventory items in the special revenue road fund are expended and the remaining balance reserved at year end as nonexpendable resources, the purchase method.

All proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting in which revenues are recognized in the accounting period in which they are earned and become measurable, and expenditures are recognized in the period incurred, if measurable.

Agency fund assets and liabilities are custodial in nature and do not involve the measurement of the results of operations.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting

The County operates under the general laws of the State of California and annually adopts a budget to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the County's various departments. The Board of Supervisors may amend the budget by resolution during the fiscal year. All appropriations lapse at year end.

Budget information is presented for all funds budgeted. The County prefers to leave its original budget unaltered during the year. This enables the effectiveness of individual departments in meeting budget objectives to be evaluated, and the adequacy of the budget itself to be judged. The only exceptions to this are the appropriations of unanticipated revenues and the revision of appropriations to reflect major economic up or downturns materially affecting estimated revenues. It is this revised budget that is presented on these statements.

Expenditures in excess of budgeted amounts are approved individually by the Board of Supervisors.

Budgets are adopted on a basis consistent with generally accepted accounting principles.

E. Encumbrances

Encumbrance accounting is employed as an extension of the budgetary process. This method records purchase orders, contracts, and other commitments for the expenditure of funds in order to reserve that portion of the applicable appropriation. Encumbrances carry over at year end as reserved fund balances.

F. Reporting Treatment of Assets and Long-Term Liabilities

Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Contributed fixed assets are recorded as general fixed assets at estimated fair market value at the time received.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

F. Reporting Treatment of Assets and Long-Term Liabilities (continued)

Fixed Assets (continued)

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the County. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets. Interest has been capitalized on self-constructed assets in accordance with generally accepted accounting principles.

Property, plant, and equipment owned by proprietary funds of the County are stated at cost or estimated fair market value. Depreciation has been provided over the estimated useful lives using the straight-line depreciation method. The estimated useful lives are as follows:

Vehicles	3-5 years
Office and computer equipment	5-10 years
Structures	10-40 years

The County leases a significant amount of property and equipment from others. Certain leased properties that take on elements of ownership are classified as fixed assets in the general fixed assets account group and in the applicable proprietary funds.

Long-Term Liabilities

Capital leases in amounts equal to the present value of net minimum lease payments during the lease terms, are recorded in the general long-term debt account group and in the applicable proprietary funds. Other leased properties and equipment are classified as operating leases.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds. Because of their spending measurement focus, expenditure recognition for governmental fund types does not include amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

F. Reporting Treatment of Assets and Long-Term Liabilities (continued)

Other Assets

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are also used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Recognition of governmental fund type revenues represented by non-current receivables is deferred until they become current receivables. Non-current portions of long-term loans receivable are offset by fund balance reserve accounts.

Special reporting treatments are also applied to governmental fund inventories to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

G. Inventory

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.

H. 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, and U.S. Government securities. The securities are stated at cost, which approximates market.

I. Cash and Cash Equivalents

The County considers all cash and investments held in the Treasury as cash equivalents.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

J. Property Tax Revenue

Property taxes attach as an enforceable lien at March 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).

K. Total Columns on Combined Statements

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

L. Fund Equity

Reservations of Fund Balances of Governmental Funds are created to either (1) satisfy legal covenants that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserve for Retirement System was created to represent cash held by the Treasurer on behalf of the retirement system.

Reserve for Imprest Cash was created to represent the portion of the fund balance that is not available for expenditure because the County maintains various levels of revolving funds for daily operations.

Reserve for Encumbrances was created to represent encumbrances outstanding at the end of the year based on purchase order and contracts signed by the County but not yet completed as of the close of the final year.

Reserve for Deposits was created to represent deposit with others. The portion of fund balance representing the deposit does not represent an available spendable resource.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 1: Summary of Significant Accounting Policies (continued)

L. Fund Equity (continued)

Reserve for Inventory was created to represent the portion of the fund balance that is not available for expenditure because the County expects to use these resources within the next budgetary period.

Reserve for Advances was created to represent long-term receivable from other County funds. The portion of fund balance representing the advance does not represent an available spendable resource.

Reserve for Endowment Funds was created to represent assets of a non-expendable trust fund which are to be maintained essentially intact.

Designation of Unreserved Fund Balance to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

Reservations of fund balance consists of the following:

<u>Reserve For</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>
Retirement System	\$ --	\$ --	\$ --	\$ 22,902,897
Imprest Cash	5,461	366	--	--
Encumbrances	269,864	48,166	47,924	--
Inventory	247,970	569,050	--	--
General Reserve	2,136,704	--	--	--
Endowment Funds	--	--	--	--
Totals	<u>\$ 2,659,999</u>	<u>\$ 617,582</u>	<u>\$ 47,924</u>	<u>\$ 22,902,897</u>

<u>Unreserved Designated for Other</u>	<u>Special Revenue</u>
Road Fund	\$ 250,000
Special Aviation	1,686
Special Districts – Lighting	76,269
Air Quality Management District	314,075
	<u>\$ 642,030</u>

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 2: Cash in Treasury

Total cash and investments held in the treasury is commingled for investment purposes and consists of:

General Fund	\$ 4,728
Special Revenue Funds	4,490,663
Debt Service Funds	1,170,646
Capital Projects Funds	6,461
Internal Service Funds	1,218,948
Trust and Agency Funds	<u>25,655,374</u>
 Total Cash and Investments Presented on Financial Statements	 32,546,820
 Special Districts Governed by Local Boards	 2,398,208
School Districts	46,438,347
Outstanding Warrants	10,454,320
Treasurer Outstanding Items	1,393,404
Other reconciling items	<u>415</u>
 Total Cash and Investments in County Treasury at June 30, 2000	 <u>\$ 93,231,514</u>

Investments – State statutes authorize the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor’s Corporation or P-1 by Moody’s Commercial Paper Record, certificates of deposit, banker’s acceptances, repurchase agreements, medium-term notes, and mutual funds consisting of authorized securities.

The County’s investments are categorized below to give an indication of the risk assumed by the County at June 30, 2000. Category 1 includes investments that are insured or registered or for which collateral is held by the County or its agent in the County’s name. Category 2 includes uninsured and unregistered investments for which collateral is held by the bank’s trust department in the County’s name. Category 3 includes uninsured and unregistered investments for which collateral is held by the bank’s trust department but not in the County’s name. As of June 30, 2000, there were no category 2 or 3 investments.

The fair value of investments was obtained from the County’s safekeeping agent.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 2: Cash in Treasury (continued)

The following are condensed statements of net assets and changes in net assets for the County's investment pool as of and for the year ended June 30, 2000:

COUNTY OF MENDOCINO
Pooled Treasury

Statement of Net Assets
June 30, 2000

Assets:		
Pooled cash and investments		\$ 93,231,514
Liabilities		<u> --</u>
Net Assets:		
Equity of Internal Pool participants		35,493,579
Equity of External Pool participants		<u>57,737,935</u>
Total Net Assets		<u>\$ 93,231,514</u>

Statement of Changes in Net Assets
For the Year Ended June 30, 2000

Investment income for the year	\$ 4,486,283
Investment costs	(171,060)
Net additional investments by pool participants	<u>22,797,563</u>
Net increase for the year	27,112,786
Net assets, July 1, 1999	<u>66,118,728</u>
Net assets, June 30, 2000	<u>\$ 93,231,514</u>

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 2: Cash in Treasury (continued)

The pool is not registered with the Securities and Exchange Commission as an investment company. As required by Government Code Section 27313, the County maintains a treasury oversight committee during the fiscal year. The County has not provided or obtained any legally binding guarantees to support the value of shares. Participants may withdraw up to the fair value of their shares as displayed on the combined balance sheet.

Effective for the fiscal year ended June 30, 1998, governmental agencies are required to report cash and investments based on fair value rather than cost in accordance with Governmental Accounting Standards Board (GASB) Statement #31. The County has determined that cost to fair values are not materially different (fair value is 99.3 percent of cost) so that no adjustment has been reported on these financial statements.

Equity in pooled cash and investments for the County of Mendocino included the following at June 30, 2000:

	<u>Maturity Dates</u>	<u>Stated Interest Rates</u>	<u>Category 1</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Par Value</u>
Medium-Term Notes	7/2/01-3/14/05	5.18 – 7.05%	\$ 28,703,101	\$ 28,783,101	\$ 28,778,344	\$ 28,795,892
Negotiable Certificates of Deposit	7/14/00-2/1/01	5.20 – 6.55%	5,002,565	5,002,565	5,008,733	5,000,000
Federal Agency Obligations	3/1/01-6/15/17	5.41 – 10.0%	12,280,111	12,280,111	12,161,506	12,281,361
Commercial Paper	7/3/00-7/26/00	6.60 – 6.75%	<u>21,162,669</u>	<u>21,162,669</u>	<u>21,162,669</u>	<u>21,315,000</u>
			<u>\$ 67,148,446</u>	67,148,446	67,111,252	67,392,253
Investment in State Treasurer's Investment Pool		6.16%		7,000,000	6,992,059	7,000,000
Mutual Fund		4.59%		8,000,000	7,461,307	7,461,307
Cash in Bank		--		9,529,367	9,529,367	9,529,367
Cash on Hand				<u>1,473,701</u>	<u>1,473,701</u>	<u>1,473,701</u>
Total Cash and Investments				<u>\$ 93,231,514</u>	<u>\$ 92,567,686</u>	<u>\$ 92,856,628</u>

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 3: Property, Plant and Equipment

A summary of changes in general fixed assets for the fiscal year ended is as follows:

	Balance <u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2000</u>
Land	\$ 1,095,275	\$ --	\$ --	\$ 1,095,275
Structures and Improve- ments	38,594,003	--	--	38,594,003
Equipment	15,806,453	948,166	--	16,754,619
Construction in Progress	<u>651,991</u>	<u>--</u>	<u>--</u>	<u>651,991</u>
Totals	<u>\$ 56,147,722</u>	<u>\$ 948,166</u>	<u>\$ --</u>	<u>\$ 57,095,888</u>

A summary of proprietary fund type property, plant and equipment at the fiscal year end is as follows:

	<u>Fixed Assets</u>	<u>Allowance for Depreciation</u>	<u>Net Book Value</u>
Vehicles	<u>\$ 3,208,644</u>	<u>\$ 1,940,234</u>	<u>\$ 1,268,410</u>

Note 4: General Long-Term Debt Account Group

Activity in the general long-term debt account group for the fiscal year is as follows:

	Balance <u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2000</u>
Capital leases	\$ 296,179	\$ 670,765	\$ 180,995	\$ 785,949
Bonds payable	46,395,000	--	1,005,000	45,390,000
Compensated absences	2,548,083	257,826	--	2,805,909
Landfill closure/post- closure care costs	<u>4,365,816</u>	<u>--</u>	<u>1,805,239</u>	<u>2,560,577</u>
Totals	<u>\$ 53,605,078</u>	<u>\$ 928,591</u>	<u>\$ 2,991,234</u>	<u>\$ 51,542,435</u>

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 4: General Long-Term Debt Account Group (continued)

A. Capital Leases

The County has entered into lease agreements for data processing systems, copy machines, and other equipment. The original cost of all leased equipment was \$1,129,356. The minimum future lease commitments on these leases are as follows:

Fiscal Year Ending June 30,	Payments
2001	\$ 217,285
2002	203,406
2003	176,404
2004	161,018
2005	119,997
Thereafter	46,709
Total Minimum Lease Payments	924,819
Less Amount Representing Interest	138,870
Present Value of Net Minimum Lease Payments	\$ 785,949

B. 1993 Acquisition and Refunding Certificate of Participation

\$9,855,000 1993 Acquisition and Refunding Certificates of Participation issued by the County. A portion of the certificates were used to pay off the \$7,000,000 1990 Financing Project Certificates of Participation on June 1, 1993. Another portion of the certificates were executed and delivered for the purpose of refunding the \$1,535,000 principal amount, 1993 Series A Bond. This refunding produced net present value savings of \$116,000. The remaining funds were used to provide funds for the conversion of the County-owned hospital from hospital use to offices and an addition to the hospital, the acquisition and renovation of buildings for Social Services, and renovations and improvements to be made to existing County facilities. Bonds are due August 15 in annual installments of \$90,000, increasing to \$600,000 in 2023; interest payable semi-annually on February 15 and August 15; final maturity August 15, 2023.

\$ 8,600,000

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 4: General Long-Term Debt Account Group (continued)

B. 1993 Acquisition and Refunding Certificate of Participation (continued)

Annual debt service requirements are as follows:

For the Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 295,000	\$ 500,735	\$ 795,735
2002	310,000	484,695	794,695
2003	330,000	467,250	797,250
2004	350,000	486,260	836,260
2005			
Thereafter	<u>7,315,000</u>	<u>5,177,425</u>	<u>12,492,425</u>
Totals	<u>\$ 8,600,000</u>	<u>\$ 7,116,365</u>	<u>\$ 15,716,365</u>

C. Taxable Pension Obligation Bonds – Series 1996

\$30,720,000, Series 1996 Taxable Pension Obligation Bonds issued by the County.

The bonds are in denominations of \$5,000. The bonds were issued to provide funds to allow the County to make payments in respect to a portion of its unfunded accrued actuarial liability with respect to retirement benefits for County employees. Interest on the bonds are payable semi-annually on January 1 and July 1 of each year beginning on July 1, 1997 through July 1, 2009. Interest rates vary between 5.54% and 6.97%.

Annual debt service requirements are as follows:

<u>Payment Date (1)</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Annual Debt Service</u>
July 1, 2000	\$ 1,405,000.00	\$ 977,015.75	\$ 2,382,015.75
January 1, 2001		933,109.50	933,109.50
July 1, 2001	1,655,000.00	933,109.50	2,588,109.50
January 1, 2002		880,232.25	880,232.25
July 1, 2002	1,925,000.00	880,232.25	2,805,232.25
January 1, 2003		817,958.50	817,958.50

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 4: General Long-Term Debt Account Group (continued)

C. Taxable Pension Obligation Bonds – Series 1996 (continued)

<u>Payment Date (1)</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Annual Debt Service</u>
July 1, 2003	\$ 2,225,000.00	\$ 817,958.50	\$ 3,042,958.50
January 1, 2004		744,311.00	744,311.00
July 1, 2004	2,555,000.00	744,311.00	3,299,311.00
January 1, 2005		658,590.75	658,590.75
July 1, 2005	2,920,000.00	658,590.75	3,578,590.75
January 1, 2006		559,018.75	559,018.75
July 1, 2006	3,320,000.00	559,018.75	3,879,018.75
January 1, 2007		444,644.75	444,644.75
July 1, 2007	3,760,000.00	444,644.75	4,204,644.75
January 1, 2008		314,172.75	314,172.75
July 1, 2008	4,245,000.00	314,172.75	4,559,172.75
January 1, 2009		166,234.50	166,234.50
July 1, 2009	<u>5,805,000.00</u>	<u>166,234.50</u>	<u>5,971,234.50</u>
Totals	<u>\$ 29,815,000.00</u>	<u>\$ 12,013,561.25</u>	<u>\$ 41,828,561.25</u>

D. Defeased Debt

On May 15, 1998, the County issued refunding certificates of participation of \$8,600,000 with an interest rate that varies between 3.55% and 4.3% to advance refund the 1989 refunding certificates of participation with interest rates that vary between 6.6% and 7.4% and a par value of \$8,230,000 outstanding prior to May 15, 1998. The certificates mature on August 15, 2006.

The advance refunding met the requirements of an in-substance debt defeasance and the refunding certificates of participation were removed from the County's General Long-Term Debt Account Group.

As a result of the advance refunding, the County reduced its total debt service requirements by \$1,039,572, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$796,407.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 4: General Long-Term Account Group (continued)

D. Defeased Debt (continued)

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Payments</u>
8/15/2000	\$ 885,000.00	3.900%	\$ 143,322.50	\$ 1,028,322.50
2/15/2001			126,065.00	126,065.00
8/15/2001	915,000.00	4.000%	126,065.00	1,041,065.00
2/15/2002			107,765.00	107,765.00
8/15/2002	955,000.00	4.050%	107,765.00	1,062,765.00
2/15/2003			88,426.25	88,426.25
8/15/2003	990,000.00	4.100%	88,426.25	1,078,426.25
2/15/2004			68,131.25	68,131.25
8/15/2004	1,035,000.00	4.150%	68,131.25	1,103,131.25
2/15/2005			46,655.00	46,655.00
8/15/2005	1,075,000.00	4.200%	46,655.00	1,121,655.00
2/15/2006			24,080.00	24,080.00
8/15/2006	<u>1,120,000.00</u>	<u>4.300%</u>	<u>24,080.00</u>	<u>1,144,080.00</u>
Total	<u>\$ 6,975,000.00</u>		<u>\$ 1,065,567.50</u>	<u>\$ 8,040,567.50</u>

E. 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 vacation liability was \$2,805,909.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 4: General Long-Term Account Group (continued)

F. 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 \$3,732,333 reported as landfill closure/postclosure liability at June 30, 2000 represents the cumulative amount reported to date based on the use of various percents of the estimated capacity of the landfills. The County will recognize the remaining estimated cost of closure/postclosure of \$4,858,540 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2000. The County expects to close all landfills by the year 2015. 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:

<u>Location</u>	<u>Ownership of Landfill</u>	<u>Percent Filled</u>	<u>Expected Closure Date</u>	<u>Estimated Closure/ Postclosure Costs</u>	<u>Estimated Liability at June 30, 2000</u>
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	Closed	\$ 5,604,700	\$ 1,062,437
South Coast Landfill	Mendocino County	N/A	2015	2,267,956	2,267,956
Laytonville Landfill	Mendocino County	100%	Closed	718,217	401,940
				<u>\$ 8,590,873</u>	<u>\$ 3,732,333</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, 2000, investments of \$1,532,437 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. Although the amount held for future closure/postclosure costs is less than the estimated liability, the amount is reported as agency funds on the balance sheet. 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.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 5: Interfund Transactions

A. Advances Receivable (Payable)

The following is a schedule of interfund advances receivable and payable at the fiscal year end:

<u>Fund</u>	<u>Advances from Other Funds</u>	
	<u>Advances to Other Funds</u>	<u>Capital Projects</u>
General Liability Insurance	\$ 280,000	\$ 280,000

B. Due to/Due from Other Funds

The following is a schedule of amounts due to and due from other funds:

<u>Fund</u>	<u>Due to</u>	<u>Due From</u>
General	\$ 1,220,000	\$ --
Alexander Estates	4,500	--
Capital Projects	540,000	--
Health Insurance	1,440,000	--
Agency Funds	--	<u>3,204,500</u>
	<u>\$ 3,204,500</u>	<u>\$ 3,204,500</u>

C. Operating Transfers

The following is a schedule of operating transfers made during the fiscal year ended June 30, 2000:

	<u>Transfers Out</u>				
	<u>Transfers In</u>	<u>General</u>	<u>Special Revenue</u>	<u>Internal Service</u>	<u>Agency</u>
General	\$ 209,450	\$ --	\$ 67,684	\$ 141,766	\$ --
Special Revenue	3,968,134	3,968,134	--	--	--
Capital Projects	308,000	308,000	--	--	--
Debt Service	2,147,038	2,147,038	--	--	--
Internal Service	259,457	141,000	30,000	--	88,457
Agency	53,309	--	--	--	53,309
	<u>\$ 6,945,388</u>	<u>\$ 6,564,172</u>	<u>\$ 97,684</u>	<u>\$ 141,766</u>	<u>\$ 141,766</u>

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 6: Retirement Plan

Plan Description

The Mendocino County Retirement Association is a 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, one member is elected by county retirees, and one member is the County Treasurer who is an ex-officio board member and administrator of the retirement system.

Funding Policy

Employees of the County and the special districts contribute to the plan. County contributions for the plan's year ended June 30, 2000 were \$3,342,487 and contributions by the employees of the County and the special districts were \$2,873,284.

Annual Pension Cost

The Retirement Association uses an entry age normal method with a supplemental present value for its actuarial computations. Significant actuarial assumptions used to determine the standardized measure of the pension benefit obligations are a) a rate of return on current and future investments of 8.0 percent compounded annually, b) projected salary increases of 1.0 percent per year attributable to merit/longevity, and c) additional projected salary increases of 4.75 percent per year attributable to inflation.

The Association was audited by the Mendocino County Auditor-Controller's Office. The last audit performed was for the year ended June 30, 1999. An audit is in progress for the fiscal year ending June 30, 2000. The following summarized financial information is presented for the year ended June 30, 1999 (a complete financial statement of the Association is available at the Auditor-Controller's Office of the County of Mendocino).

Balance Sheet

Current Assets	\$ 7,995,977
Bond and Equities	<u>145,279,244</u>
Total Assets	<u>\$ 153,275,221</u>
Accounts Payable	<u>\$ 2,392,408</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 150,882,813</u>

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 6: Retirement Plan (continued)

Annual Pension Cost (continued)

Statement of Operations

Revenues	
Member contributions	\$ 2,873,284
County contributions	3,342,487
Investment income – net of expenses of \$649,726	10,047,392
Other income	<u>248,729</u>
Total Revenues	<u>16,511,892</u>
Expenses	
Benefit payments	7,138,172
Refunds of contributions	415,620
Administrative and professional expenses	109,949
Insurance benefits	<u>1,359,515</u>
Total Expenditures	<u>9,023,256</u>
Net Operating Income (Loss)	7,488,636
Fund Balance – Beginning of Year	<u>143,394,177</u>
Fund Balance – End of Year	<u>\$ 150,882,813</u>

Note 7: Post-Retirement Benefits

The County pays in accordance with County ordinance, post-retirement medical benefits for retirees who have at least ten years of County service. If the retiree has less than ten years of service, then the retiree pays a percentage of the medical benefits. The benefits paid by the County are funded on a pay-as-you-go basis. At fiscal year end, 467 retirees were covered.

Note 8: Employee Benefits – Deferred Compensation Plan

Employees of the County of Mendocino may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 8: Employee Benefits – Deferred Compensation Plan (continued)

Changes in the laws governing IRC Section 457 Plans and GASB Statement No. 32, required a change in the reporting of the County employees' deferred compensation plan. Previously, employee amounts deferred by the plan participants were required to be reported as assets of the employer. The new law prevents the employer's use of these funds and requires the funds to be held exclusively for the benefit of the participants. Accordingly, the County's deferred compensation plan was amended in December 1998 to conform with the law. Therefore, the assets and associated participants' liability of the plan were removed from our financial statements and only the current deductions which have not been forwarded to the contract plan administrator are reported.

Note 9: Tax Anticipation Note

In July 1999, the County issued a \$19,205,000 tax and revenue anticipation note. The funds were budgeted for operations. The note was due and payable June 30, 2000 and carried a 4.0% interest rate. The note was paid in June 2000 on the due date and included accrued interest.

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 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, 2000, 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.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 11: Subsequent Event

On July 1, 2000, the County issued a \$19,255,000 tax and revenue anticipation note. The funds were budgeted for operations. The note is due and payable on June 30, 2001 and carries an interest rate of 4.0%.

Note 12: Risk Management

The County has four risk management funds (Internal Service Funds) to administer the County's insurance programs that are fully or partially self-insured. 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 reestimations 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 self-insures for this program. The estimated claims liability at fiscal year end was \$0.

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, 2000, plus an amount for "incurred but not reported." The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The liability of \$321,073 includes incurred but not reported claims.

COUNTY OF MENDOCINO

Notes to Financial Statements
June 30, 2000

Note 12: Risk Management (continued)

C. **Workers' Compensation**

The County maintains an SIR of \$200,000 per occurrence for this program. Losses which exceed the SIR are covered by an excess insurance policy purchased through CSAC-Excess Insurance Authority. The County contracts with Claims Management, Inc., a third party administrator, to provide claims services for the program. The liability for unpaid claims was based on an actuarial study prepared by Pacific Actuarial Consultants. The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The County has elected to become fully insured through CSAC-Excess Insurance Authority on July 1, 1997.

D. **Health Insurance**

The County maintains an SIR of \$150,000 per year for each enrollee. Losses which exceed the SIR are covered by excess insurance. The program is administered by Watson Wyatt. They have estimated that the estimated claims liability at fiscal year end was \$0. This liability is not actuarially determined and does not include incurred but not reported claims.

Note 13: Excess Expenditures Over Budget

The following funds had excess expenditures over budget:

	<u>Budget</u>	<u>Expenditure</u>	<u>Variance</u>
Library	\$ 1,003,956	\$ 1,017,502	\$ 13,546
Capital Project	2,105,000	2,877,273	772,273
Children and Families First	--	38,185	38,185

Note 14: Deficit Fund Balance or Retained Earnings

The following funds had a fund balance/retained earnings deficit as of the fiscal year end:

<u>Fund</u>	<u>Deficit</u>
Health Insurance	\$ 2,042,748
Alexander Estates	4,442
Redevelopment Agency	16,197

COMBINING STATEMENTS

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes.

COUNTY OF MENDOCINO

Combining Balance Sheet
All Special Revenue Funds
June 30, 2000

	<u>Children and Families First</u>	<u>Road</u>	<u>Accumulative Capital Outlay</u>	<u>Library</u>
<u>Assets</u>				
Cash and investments	\$ 1,476,063	\$ 1,259,873	\$ 389,462	\$ 117,946
Imprest cash	-	50	-	216
Accounts receivable	-	-	-	2,067
Interest receivable	-	-	-	-
Due from other governmental agencies	172,215	800,622	-	-
Due from other funds	-	-	-	-
Inventory	-	569,050	-	-
Advance to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,648,278</u>	<u>\$ 2,629,595</u>	<u>\$ 389,462</u>	<u>\$ 120,229</u>
<u>Liabilities and Fund Equity</u>				
Accounts payable	\$ -	\$ 579,719	\$ 198,805	\$ 9,356
Due to other funds	-	-	-	-
Accrued salaries and benefits	2,644	81,560	-	11,377
Advances payable	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,644</u>	<u>661,279</u>	<u>198,805</u>	<u>20,733</u>
Fund Equity:				
Fund Balances Reserved for:				
Imprest cash	-	50	-	216
Encumbrances	-	-	42,861	2,250
Inventory	-	569,050	-	-
Unreserved:				
Designated for other	-	250,000	-	-
Undesignated	1,645,634	1,149,216	147,796	97,030
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>1,645,634</u>	<u>1,968,316</u>	<u>190,657</u>	<u>99,496</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	<u>\$ 1,648,278</u>	<u>\$ 2,629,595</u>	<u>\$ 389,462</u>	<u>\$ 120,229</u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
All Special Revenue Funds
June 30, 2000

	<u>Fish and Game</u>	<u>Special Aviation</u>	<u>Supplemental Law Enforcement</u>	<u>Special Districts Lighting</u>
<u>Assets</u>				
Cash and investments	\$ 163,030	\$ 152,349	\$ 18,305	\$ 78,872
Imprest cash	-	-	-	-
Accounts receivable	-	-	-	1,897
Interest receivable	-	-	-	-
Due from other governmental agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Advance to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 163,030</u></u>	<u><u>\$ 152,349</u></u>	<u><u>\$ 18,305</u></u>	<u><u>\$ 80,769</u></u>
<u>Liabilities and Fund Equity</u>				
Accounts payable	\$ -	\$ -	\$ 3,743	\$ -
Due to other funds	-	-	-	4,500
Accrued salaries and benefits	-	-	2,268	-
Advances payable	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u>6,011</u>	<u>4,500</u>
Fund Equity:				
Fund Balances Reserved for:				
Imprest cash	-	-	-	-
Encumbrances	-	-	3,055	-
Inventory	-	-	-	-
Unreserved:				
Designated for other	-	1,686	-	76,269
Undesignated	163,030	150,663	9,239	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>163,030</u>	<u>152,349</u>	<u>12,294</u>	<u>76,269</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	<u><u>\$ 163,030</u></u>	<u><u>\$ 152,349</u></u>	<u><u>\$ 18,305</u></u>	<u><u>\$ 80,769</u></u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
All Special Revenue Funds
June 30, 2000

	Special Districts Other	Totals	
		2000	1999
<u>Assets</u>			
Cash and investments	\$ 834,763	\$ 4,490,663	\$ 3,102,126
Imprest cash	100	366	366
Accounts receivable	477	4,441	3,348
Interest receivable	-	-	713,312
Due from other governmental agencies	-	972,837	3,477
Due from other funds	-	-	-
Inventory	-	569,050	548,220
Advance to other funds	-	-	-
Total Assets	<u>\$ 835,340</u>	<u>\$ 6,037,357</u>	<u>\$ 4,370,849</u>
<u>Liabilities and Fund Equity</u>			
Accounts payable	\$ 5,648	\$ 797,271	\$ 872,651
Due to other funds	-	4,500	3,559
Accrued salaries and benefits	8,196	106,045	258,648
Advances payable	-	-	-
Total Liabilities	<u>13,844</u>	<u>907,816</u>	<u>1,134,858</u>
Fund Equity:			
Fund Balances Reserved for:			
Imprest cash	100	366	366
Encumbrances	-	48,166	59,616
Inventory	-	569,050	548,220
Unreserved:			
Designated for other	314,075	642,030	385,343
Undesignated	507,321	3,869,929	2,242,446
Total Fund Equity	<u>821,496</u>	<u>5,129,541</u>	<u>3,235,991</u>
Total Liabilities and Fund Equity	<u>\$ 835,340</u>	<u>\$ 6,037,357</u>	<u>\$ 4,370,849</u>

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
All Special Revenue Funds
For the Year Ended June 30, 2000

	<u>Children and Families First</u>	<u>Road</u>	<u>Accumulative Capital Outlay</u>	<u>Library</u>
Revenues:				
Taxes	\$ -	\$ 229,356	\$ -	\$ -
Licenses and permits	-	194,433	-	-
Intergovernmental revenues	1,683,901	9,798,345	-	238,584
Fines and forfeits	-	56,722	318,926	-
Uses of money and property	-	44,764	18,031	13,128
Charges for services	-	50,633	-	32,110
Other	-	26,163	36,342	124,799
Total Revenues	<u>1,683,901</u>	<u>10,400,416</u>	<u>373,299</u>	<u>408,621</u>
Expenditures:				
General government	-	-	1,213,253	-
Public protection	-	-	-	-
Public ways and facilities	-	12,663,779	-	-
Public assistance	-	-	-	-
Education	-	-	-	#####
Health and sanitation	38,185	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>38,185</u>	<u>12,663,779</u>	<u>1,213,253</u>	<u>#####</u>
Excess (Deficit) of Revenues Over Expenditures	<u>1,645,716</u>	<u>(2,263,363)</u>	<u>(839,954)</u>	<u>(608,881)</u>
Other Financing Sources (Uses):				
Operating transfers In	-	2,488,144	700,700	699,290
Operating transfers out	-	(28,340)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,459,804</u>	<u>700,700</u>	<u>699,290</u>
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,645,716	196,441	(139,254)	90,409
Fund Balance, Beginning of Fiscal Year	(82)	1,771,875	329,911	9,087
Prior Period Adjustment	-	-	-	-
Change in Reserves	-	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 1,645,634</u>	<u>\$ 1,968,316</u>	<u>\$ 190,657</u>	<u>\$ 99,496</u>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (continued)
All Special Revenue Funds
For the Year Ended June 30, 2000

	<u>Fish and Game</u>	<u>Special Aviation</u>	<u>Supplemental Law Enforcement</u>	<u>Special Districts Lighting</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 39,228
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	91,700	165,958	-
Fines and forfeits	16,123	-	-	-
Uses of money and property	9,491	-	3,351	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>25,614</u>	<u>91,700</u>	<u>169,309</u>	<u>39,228</u>
Expenditures:				
General government	-	-	-	-
Public protection	43,301	-	155,050	-
Public ways and facilities	-	74,877	-	32,541
Public assistance	-	-	-	-
Education	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>43,301</u>	<u>74,877</u>	<u>155,050</u>	<u>32,541</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(17,687)</u>	<u>16,823</u>	<u>14,259</u>	<u>6,687</u>
Other Financing Sources (Uses):				
Operating transfers In	-	-	-	-
Operating transfers out	<u>(5,000)</u>	<u>-</u>	<u>(844)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>-</u>	<u>(844)</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>(22,687)</u>	<u>16,823</u>	<u>13,415</u>	<u>6,687</u>
Fund Balance, Beginning of Fiscal Year	185,717	135,526	(1,121)	69,582
Prior Period Adjustment	-	-	-	-
Change in Reserves	-	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 163,030</u>	<u>\$ 152,349</u>	<u>\$ 12,294</u>	<u>\$ 76,269</u>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (continued)
All Special Revenue Funds
For the Year Ended June 30, 2000

	Special	Totals	
	Districts Other	2000	1999
Revenues:			
Taxes	\$ 73,142	\$ 341,726	\$ 240,436
Licenses and permits	144,163	338,596	176,001
Intergovernmental revenues	373,347	12,351,835	5,783,963
Fines and forfeits	29,730	421,501	260,790
Uses of money and property	44,047	132,812	203,198
Charges for services	29,633	112,376	93,561
Other	405	187,709	105,756
Total Revenues	<u>694,467</u>	<u>13,886,555</u>	<u>6,863,705</u>
Expenditures:			
General government	-	1,213,253	938,279
Public protection	97,622	295,973	318,762
Public ways and facilities	-	12,771,197	9,114,369
Public assistance	-	-	-
Education	-	1,017,502	898,619
Health and sanitation	527,345	565,530	397,645
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>624,967</u>	<u>15,863,455</u>	<u>11,667,674</u>
Excess (Deficit) of Revenues Over Expenditures	<u>69,500</u>	<u>(1,976,900)</u>	<u>(4,803,969)</u>
Other Financing Sources (Uses):			
Operating transfers In	80,000	3,968,134	3,019,183
Operating transfers out	<u>(63,500)</u>	<u>(97,684)</u>	<u>(70,844)</u>
Total Other Financing Sources (Uses)	<u>16,500</u>	<u>3,870,450</u>	<u>2,948,339</u>
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Uses	86,000	1,893,550	(1,855,630)
Fund Balance, Beginning of Fiscal Year	735,496	3,235,991	5,091,621
Prior Period Adjustment	-	-	-
Change in Reserves	-	-	-
Fund Balance, End of Fiscal Year	<u>\$ 821,496</u>	<u>\$ 5,129,541</u>	<u>\$ 3,235,991</u>

COUNTY OF MENDOCINO

Combining Balance Sheet
All Special Districts Governed by the Board of Supervisors - Lighting
June 30, 2000

	<u>Alexander Estates</u>	<u>Covelo</u>	<u>Fairview Acres</u>	<u>Hopland</u>
<u>Assets</u>				
Cash and investments	\$ 58	\$ 5,930	\$ 2,963	\$ 18,991
Accounts receivable	-	-	-	-
 Total Assets	<u>\$ 58</u>	<u>\$ 5,930</u>	<u>\$ 2,963</u>	<u>\$ 18,991</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	4,500	-	-	-
Advances payable	-	-	-	-
 Total Liabilities	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:				
Fund Balance:				
Reserved:				
Imprest cash	-	-	-	-
Inventory	-	-	-	-
Encumbrances	-	-	-	-
Unreserved:				
Unreserved	-	-	-	-
Designated for other	<u>(4,442)</u>	<u>5,930</u>	<u>2,963</u>	<u>18,991</u>
 Total Fund Equity	<u>(4,442)</u>	<u>5,930</u>	<u>2,963</u>	<u>18,991</u>
 Total Liabilities and Fund Equity	<u>\$ 58</u>	<u>\$ 5,930</u>	<u>\$ 2,963</u>	<u>\$ 18,991</u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
 All Special Districts Governed by the Board of Supervisors - Lighting
 June 30, 2000

	<u>Laytonville</u>	<u>Noyo</u>	<u>Oak Knoll</u>	<u>Riverwood Terrace</u>
<u>Assets</u>				
Cash and investments	\$ 4,924	\$ (927)	\$ 22,503	\$ 4,260
Accounts receivable	<u>-</u>	<u>1,897</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 4,924</u></u>	<u><u>\$ 970</u></u>	<u><u>\$ 22,503</u></u>	<u><u>\$ 4,260</u></u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Advances payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:				
Fund Balance:				
Reserved:				
Imprest cash	-	-	-	-
Inventory	-	-	-	-
Encumbrances	-	-	-	-
Unreserved:				
Unreserved	-	-	-	-
Designated for other	<u>4,924</u>	<u>970</u>	<u>22,503</u>	<u>4,260</u>
Total Fund Equity	<u>4,924</u>	<u>970</u>	<u>22,503</u>	<u>4,260</u>
Total Liabilities and Fund Equity	<u><u>\$ 4,924</u></u>	<u><u>\$ 970</u></u>	<u><u>\$ 22,503</u></u>	<u><u>\$ 4,260</u></u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
 All Special Districts Governed by the Board of Supervisors - Lighting
 June 30, 2000

	Ukiah Village	West Talmage	Totals	
			<u>2000</u>	<u>1999</u>
<u>Assets</u>				
Cash and investments	\$ 12,156	\$ 8,014	\$ 78,872	\$ 71,512
Accounts receivable	-	-	1,897	-
Total Assets	<u>\$ 12,156</u>	<u>\$ 8,014</u>	<u>\$ 80,769</u>	<u>\$ 71,512</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	4,500	1,930
Advances payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>1,930</u>
Fund Equity:				
Fund Balance:				
Reserved:				
Imprest cash	-	-	-	-
Inventory	-	-	-	-
Encumbrances	-	-	-	-
Unreserved:				
Unreserved	-	-	-	-
Designated for other	12,156	8,014	76,269	69,582
Total Fund Equity	<u>12,156</u>	<u>8,014</u>	<u>76,269</u>	<u>69,582</u>
Total Liabilities and Fund Equity	<u>\$ 12,156</u>	<u>\$ 8,014</u>	<u>\$ 80,769</u>	<u>\$ 71,512</u>

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Districts Governed by the Board of Supervisors - Lighting
For the Year Ended June 30, 2000

	<u>Alexander Estates</u>	<u>Covelo</u>	<u>Fairview Acres</u>	<u>Hopland</u>
Revenues:				
Taxes	\$ 5,380	\$ 5,004	\$ 1,082	\$ 7,871
Intergovernmental revenue	-	-	-	-
Charges for service	-	-	-	-
	<u>5,380</u>	<u>5,004</u>	<u>1,082</u>	<u>7,871</u>
Total Revenues				
Expenditures:				
Public ways and facilities	<u>7,892</u>	<u>4,810</u>	<u>764</u>	<u>4,795</u>
Excess (Deficit) of Revenues Over Expenditures	(2,512)	194	318	3,076
Fund Balance, Beginning of Fiscal Year	<u>(1,930)</u>	<u>5,736</u>	<u>2,645</u>	<u>15,915</u>
Fund Balance, End of Fiscal Year	<u><u>\$ (4,442)</u></u>	<u><u>\$ 5,930</u></u>	<u><u>\$ 2,963</u></u>	<u><u>\$ 18,991</u></u>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (continued)
All Special Districts Governed by the Board of Supervisors - Lighting
For the Year Ended June 30, 2000

	<u>Laytonville</u>	<u>Noyo</u>	<u>Oak Knoll</u>	<u>Riverwood Terrace</u>
Revenues:				
Taxes	\$ 2,632	\$ 3,323	\$ 5,443	\$ 1,260
Intergovernmental revenue	-	-	-	-
Charges for service	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>2,632</u>	<u>3,323</u>	<u>5,443</u>	<u>1,260</u>
Expenditures:				
Public ways and facilities	<u>2,093</u>	<u>3,033</u>	<u>3,260</u>	<u>583</u>
Excess (Deficit) of Revenues Over Expenditures	539	290	2,183	677
Fund Balance, Beginning of Fiscal Year	<u>4,385</u>	<u>680</u>	<u>20,320</u>	<u>3,583</u>
Fund Balance, End of Fiscal Year	<u><u>\$ 4,924</u></u>	<u><u>\$ 970</u></u>	<u><u>\$ 22,503</u></u>	<u><u>\$ 4,260</u></u>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (continued)
All Special Districts Governed by the Board of Supervisors - Lighting
For the Year Ended June 30, 2000

	Ukiah Village	West Talmage	Totals	
			2000	1999
Revenues:				
Taxes	\$ 5,058	\$ 2,175	\$ 39,228	\$ 35,289
Intergovernmental revenue	-	-	-	777
Charges for service	-	-	-	-
Total Revenues	<u>5,058</u>	<u>2,175</u>	<u>39,228</u>	<u>36,066</u>
Expenditures:				
Public ways and facilities	<u>3,853</u>	<u>1,458</u>	<u>32,541</u>	<u>34,967</u>
Excess (Deficit) of Revenues Over Expenditures	1,205	717	6,687	1,099
Fund Balance, Beginning of Fiscal Year	<u>10,951</u>	<u>7,297</u>	<u>69,582</u>	<u>68,483</u>
Fund Balance, End of Fiscal Year	<u>\$ 12,156</u>	<u>\$ 8,014</u>	<u>\$ 76,269</u>	<u>\$ 69,582</u>

COUNTY OF MENDOCINO

Combining Balance Sheet
All Special Districts Governed by the Board of Supervisors - Other
June 30, 2000

	Meadowbrook Manor Station	Mendocino County Water Agency
<u>Assets</u>		
Cash	\$ 13,302	\$ 68,900
Imprest Cash	-	-
Accounts receivable	-	477
Interest receivable	-	-
Intergovernmental receivable	-	-
Due from other funds	-	-
Inventory	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 13,302</u>	<u>\$ 69,377</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued salaries and benefits	-	1,442
Due to other funds	-	-
	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>1,442</u>
Fund Equity:		
Fund Balances:		
Reserved:		
Imprest cash	-	-
Inventory	-	-
Encumbrances	-	-
Unreserved:		
Designated for other	-	-
Undesignated	13,302	67,935
	<hr/>	<hr/>
Total Fund Equity	<u>13,302</u>	<u>67,935</u>
	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 13,302</u>	<u>\$ 69,377</u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
 All Special Districts Governed by the Board of Supervisors - Other
 June 30, 2000

	Air Quality Management	Totals	
		<u>2000</u>	<u>1999</u>
<u>Assets</u>			
Cash	\$ 752,561	\$ 834,763	\$ 756,123
Imprest Cash	100	100	100
Accounts receivable	-	477	-
Interest receivable	-	-	-
Intergovernmental receivable	-	-	-
Due from other funds	-	-	-
Inventory	-	-	-
		<hr/>	<hr/>
Total Assets	<u>\$ 752,661</u>	<u>\$ 835,340</u>	<u>\$ 756,223</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts payable	\$ 5,648	\$ 5,648	\$ 594
Accrued salaries and benefits	6,754	8,196	18,586
Due to other funds	-	-	1,547
		<hr/>	<hr/>
Total Liabilities	<u>12,402</u>	<u>13,844</u>	<u>20,727</u>
Fund Equity:			
Fund Balances:			
Reserved:			
Imprest cash	100	100	100
Inventory	-	-	-
Encumbrances	-	-	2,116
Unreserved:			
Designated for other	314,075	314,075	314,075
Undesignated	426,084	507,321	419,205
		<hr/>	<hr/>
Total Fund Equity	<u>740,259</u>	<u>821,496</u>	<u>735,496</u>
		<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 752,661</u>	<u>\$ 835,340</u>	<u>\$ 756,223</u>

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Districts Governed by the Board of Supervisors - Other
For the Year Ended June 30, 2000

	Meadowbrook Manor Station	Mendocino County Water Agency
Revenues:		
Taxes	\$ 1,082	\$ 72,060
Licenses and permits	-	-
Intergovernmental revenues	-	1,489
Fines and forfeits	-	-
Use of money or property	-	2,647
Charges for services	-	14,226
Other	-	97
	<hr/>	<hr/>
Total Revenues	1,082	90,519
	<hr/>	<hr/>
Expenditures:		
Public Protection	-	97,622
Health and sanitation	26	-
	<hr/>	<hr/>
Total Expenditures	26	97,622
	<hr/>	<hr/>
Operating transfers in	-	80,000
Operating transfers out	-	-
	<hr/>	<hr/>
Excess (Deficit) of Revenues Over Expenditures	1,056	72,897
Fund Balances, Beginning of Fiscal Year	12,246	(4,962)
	<hr/>	<hr/>
Fund Balances, End of Fiscal Year	\$ 13,302	\$ 67,935
	<hr/>	<hr/>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (continued)
All Special Districts Governed by the Board of Supervisors - Other
For the Year Ended June 30, 2000

	Air Quality Management	Totals	
		<u>2000</u>	<u>1999</u>
Revenues:			
Taxes	\$ -	\$ 73,142	\$ 70,849
Licenses and permits	144,163	144,163	132,309
Intergovernmental revenues	371,858	373,347	373,194
Fines and forfeits	29,730	29,730	9,356
Use of money or property	41,400	44,047	31,899
Charges for services	15,407	29,633	28,072
Other	308	405	8,668
	<u>602,866</u>	<u>694,467</u>	<u>654,347</u>
Total Revenues			
Expenditures:			
Public Protection	-	97,622	92,896
Health and sanitation	527,319	527,345	397,645
	<u>527,319</u>	<u>624,967</u>	<u>490,541</u>
Total Expenditures			
Operating transfers in	-	80,000	-
Operating transfers out	(63,500)	(63,500)	(30,000)
	<u>12,047</u>	<u>86,000</u>	<u>163,806</u>
Excess (Deficit) of Revenues Over Expenditures			
Fund Balances, Beginning of Fiscal Year	728,212	735,496	530,159
	<u>728,212</u>	<u>735,496</u>	<u>530,159</u>
Fund Balances, End of Fiscal Year	<u>\$ 740,259</u>	<u>\$ 821,496</u>	<u>\$ 693,965</u>

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

COUNTY OF MENDOCINO

Combining Balance Sheet
All Debt Service Funds
June 30, 2000

	<u>Debt Service</u>	<u>Pension Obligation Bonds</u>
<u>Assets and Other Debits</u>		
Cash and investments	\$ 79,307	\$ 1,101,647
Restricted Assets:		
Cash with fiscal agent	2,353,527	2,400,170
Accounts receivable	-	69,145
Due from other funds	-	-
	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>\$ 2,432,834</u>	<u>\$ 3,570,962</u>
<u>Liabilities, Fund Equity and Other Credits</u>		
Liabilities:		
Accounts payable	\$ -	\$ -
Matured principal and interest payable	-	149,386
Due to other funds	-	-
Advances from other funds	-	-
	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>149,386</u>
Fund Balance:		
Designated for debt service	<u>2,432,834</u>	<u>3,421,576</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 2,432,834</u>	<u>\$ 3,570,962</u>

COUNTY OF MENDOCINO

Combining Balance Sheet
All Debt Service Funds
June 30, 2000

	Redevelopment Agency	Totals	
		2000	1999
<u>Assets and Other Debits</u>			
Cash and investments	\$ (10,308)	\$ 1,170,646	\$ 910,616
Restricted Assets:			
Cash with fiscal agent	-	4,753,697	4,279,134
Accounts receivable	-	69,145	257,742
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets and Other Debits	<u>\$ (10,308)</u>	<u>\$ 5,993,488</u>	<u>\$ 5,447,492</u>
<u>Liabilities, Fund Equity and Other Credits</u>			
Liabilities:			
Accounts payable	\$ 5,889	\$ 5,889	\$ 4,377
Matured principal and interest payable	-	149,386	2,321,336
Due to other funds	-	-	45,000
			<u>233,392</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>5,889</u>	<u>155,275</u>	<u>2,604,105</u>
Fund Balance:			
Designated for debt service	<u>(16,197)</u>	<u>5,838,213</u>	<u>2,843,387</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ (10,308)</u>	<u>\$ 5,993,488</u>	<u>\$ 5,447,492</u>

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Debt Service Funds
For the Year Ended June 30, 2000

	<u>Debt Service</u>	<u>Pension Obligation Bonds</u>
Revenues:		
Use of money and property	\$ 150,689	\$ (146,175)
Charges for services	-	3,438,588
Other	<u>(37,157)</u>	<u>21,301</u>
Total Revenues	<u>113,532</u>	<u>3,313,714</u>
Expenditures:		
General government	3,401	4,670
Debt service:		
Principal	424,525	-
Interest	<u>1,130,892</u>	<u>999,773</u>
Total Expenditures	<u>1,558,818</u>	<u>1,004,443</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,445,286)</u>	<u>2,309,271</u>
Other Financing Sources (Uses):		
Operating transfers in	2,147,038	-
Operating transfers out	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,147,038</u>	<u>-</u>
Excess of Revenues and other Sources Over (Under) Expenditures and Other Uses	701,752	2,309,271
Fund Balance, Beginning of Fiscal Year	<u>1,731,082</u>	<u>1,112,305</u>
Fund Balance, End of Fiscal Year	<u><u>\$ 2,432,834</u></u>	<u><u>\$ 3,421,576</u></u>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (continued)
All Debt Service Funds
For the Year Ended June 30, 2000

	Redevelopment Agency	Total	
		2000	1999
Revenues:			
Use of money and property	\$ -	\$ 4,514	\$ 316,663
Charges for services	-	3,438,588	3,612,582
Other	<u>(122)</u>	<u>\$ (15,978)</u>	<u>70,670</u>
Total Revenues	<u>(122)</u>	<u>3,427,124</u>	<u>3,999,915</u>
Expenditures:			
General government	16,075	\$ 24,146	12,201
Debt service:			
Principal	-	424,525	3,171,395
Interest	<u>-</u>	<u>2,130,665</u>	<u>3,365,581</u>
Total Expenditures	<u>16,075</u>	<u>2,579,336</u>	<u>6,549,177</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,197)</u>	<u>847,788</u>	<u>(2,549,262)</u>
Other Financing Sources (Uses):			
Operating transfers in	-	2,147,038	1,519,319
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,147,038</u>	<u>1,519,319</u>
Excess of Revenues and other Sources Over (Under) Expenditures and Other Uses	(16,197)	2,994,826	(1,029,943)
Fund Balance, Beginning of Fiscal Year	<u>-</u>	<u>2,843,387</u>	<u>3,873,330</u>
Fund Balance, End of Fiscal Year	<u><u>\$ (16,197)</u></u>	<u><u>\$ 5,838,213</u></u>	<u><u>\$ 2,843,387</u></u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments on a cost-reimbursement basis.

COUNTY OF MENDOCINO

Combining Balance Sheet
Internal Service Funds
June 30, 2000

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
<u>Assets</u>				
Cash	\$ 108,227	\$ 434,474	\$ 219,712	\$ 136,568
Accounts receivable	-	-	-	75
Advances receivable	-	-	-	280,000
Due from other funds	-	-	-	-
Property, plant and equipment, net	<u>159,604</u>	<u>1,268,410</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u><u>\$ 267,831</u></u>	 <u><u>\$ 1,702,884</u></u>	 <u><u>\$ 219,712</u></u>	 <u><u>\$ 416,643</u></u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 16,637	\$ 172,834	\$ -	\$ 30,488
Accrued salaries and benefits	-	-	-	1,189
Compensated absences payable	-	-	-	1,321
Due to other funds	-	-	-	-
Liability for unpaid claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,073</u>
 Total Liabilities	 <u>16,637</u>	 <u>172,834</u>	 <u>-</u>	 <u>354,071</u>
Fund Equity:				
Retained Earnings:				
Unreserved	<u>251,194</u>	<u>1,530,050</u>	<u>219,712</u>	<u>62,572</u>
 Total Liabilities and Fund Equity	 <u><u>\$ 267,831</u></u>	 <u><u>\$ 1,702,884</u></u>	 <u><u>\$ 219,712</u></u>	 <u><u>\$ 416,643</u></u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
Internal Service Funds
June 30, 2000

	Worker's Compensation	Health Insurance	Totals	
			<u>2000</u>	<u>1999</u>
<u>Assets</u>				
Cash	\$ 315,069	\$ 4,898	\$ 1,218,948	\$ 766,622
Accounts receivable	-	218,637	218,712	247,377
Advances receivable	-	-	280,000	763,392
Due from other funds	-	-	-	-
Property, plant and equipment, net	-	-	<u>1,428,014</u>	<u>942,260</u>
 Total Assets	 <u>\$ 315,069</u>	 <u>\$ 223,535</u>	 <u>\$ 3,145,674</u>	 <u>\$ 2,719,651</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ 824,601	\$ 1,044,560	\$ 87,441
Accrued salaries and benefits	945	646	2,780	6,223
Compensated absences payable	1,932	1,036	4,289	4,289
Due to other funds	-	1,440,000	1,440,000	1,415,000
Liability for unpaid claims	-	-	<u>321,073</u>	<u>1,140,971</u>
 Total Liabilities	 <u>2,877</u>	 <u>2,266,283</u>	 <u>2,812,702</u>	 <u>2,653,924</u>
Fund Equity:				
Retained Earnings:				
Unreserved	<u>312,192</u>	<u>(2,042,748)</u>	<u>332,972</u>	<u>65,727</u>
 Total Liabilities and Fund Equity	 <u>\$ 315,069</u>	 <u>\$ 223,535</u>	 <u>\$ 3,145,674</u>	 <u>\$ 2,719,651</u>

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Retained Earnings
Internal Service Funds
For the Year Ended June 30, 2000

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
Operating Revenues:				
Charges and fees	\$ 31,300	\$ 529,395	\$ 73,000	\$ 597,053
Other	<u>66,071</u>	<u>-</u>	<u>-</u>	<u>159,470</u>
Total Operating Revenues	<u>97,371</u>	<u>529,395</u>	<u>73,000</u>	<u>756,523</u>
Operating Expenses:				
Salaries and benefits	-	-	-	54,963
Maintenance and repair	101,699	2,479	-	-
Services and supplies	-	-	-	432,388
Insurance	-	-	41,900	-
Depreciation	-	335,001	-	-
Claims and judgements	-	-	-	(558,682)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>101,699</u>	<u>337,480</u>	<u>41,900</u>	<u>(71,331)</u>
Income (Loss) from Operations	<u>(4,328)</u>	<u>191,915</u>	<u>31,100</u>	<u>827,854</u>
Non-Operating Revenues (Expenses):				
Interest	-	10,364	10,904	53,971
Gain on sale of fixed asset	-	22,418	-	-
Insurance dividend	-	-	-	-
Other	(3,935)	70,000	-	-
Excess loss reimbursement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>(3,935)</u>	<u>102,782</u>	<u>10,904</u>	<u>53,971</u>
Income (Loss) Before Operating Transfers	<u>(8,263)</u>	<u>294,697</u>	<u>42,004</u>	<u>881,825</u>
Operating Transfers:				
Operating transfers in	259,457	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	251,194	294,697	42,004	881,825
Retained Earnings, Beginning of Fiscal Year	<u>-</u>	<u>1,235,353</u>	<u>177,708</u>	<u>(819,253)</u>
Retained Earnings, End of Fiscal Year	<u>\$ 251,194</u>	<u>\$ 1,530,050</u>	<u>\$ 219,712</u>	<u>\$ 62,572</u>

continued

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenditures,
and Changes in Retained Earnings (continued)
Internal Service Funds
For the Year Ended June 30, 2000

	Worker's Compensation	Health Insurance	Totals	
			2000	1999
Operating Revenues:				
Charges and fees	\$ 1,600,168	\$ 5,410,803	\$ 8,241,719	\$ 6,846,070
Other	-	253,998	479,539	287,475
	<u>1,600,168</u>	<u>5,664,801</u>	<u>8,721,258</u>	<u>7,133,545</u>
Operating Expenses:				
Salaries and benefits	47,786	32,601	135,350	116,040
Maintenance and repair	2,393	-	106,571	25,226
Services and supplies	5,496	1,038,618	1,476,502	854,064
Insurance	-	321,246	363,146	347,266
Depreciation	-	-	335,001	337,795
Claims and judgements	1,492,032	5,289,829	6,223,179	6,483,569
Other	868	444	1,312	4,905
	<u>1,548,575</u>	<u>6,682,738</u>	<u>8,641,061</u>	<u>8,168,865</u>
Income (Loss) from Operations	<u>51,593</u>	<u>(1,017,937)</u>	<u>80,197</u>	<u>(1,035,320)</u>
Non-Operating Revenues (Expenses):				
Interest	(28,957)	(65,408)	(19,126)	69,047
Gain on sale of fixed asset	-	-	22,418	9,092
Insurance dividend	-	-	-	(49,235)
Other	-	-	66,065	-
Excess loss reimbursement	-	-	-	-
	<u>(28,957)</u>	<u>(65,408)</u>	<u>69,357</u>	<u>28,904</u>
Income (Loss) Before Operating Transfers	<u>22,636</u>	<u>(1,083,345)</u>	<u>149,554</u>	<u>(1,006,416)</u>
Operating Transfers:				
Operating transfers in	-	-	259,457	-
Operating transfers out	-	(141,766)	(141,766)	(126,281)
Net Income (Loss)	22,636	(1,225,111)	267,245	(1,132,697)
Retained Earnings, Beginning of Fiscal Year	<u>289,556</u>	<u>(817,637)</u>	<u>65,727</u>	<u>1,198,424</u>
Retained Earnings, End of Fiscal Year	<u>\$ 312,192</u>	<u>\$ (2,042,748)</u>	<u>\$ 332,972</u>	<u>\$ 65,727</u>

COUNTY OF MENDOCINO

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2000

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
Cash Flows from Operating Activities:				
Net income (loss)	<u>\$ (8,263)</u>	<u>\$ 294,697</u>	<u>\$ 42,004</u>	<u>\$ 881,825</u>
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation	-	335,001	-	-
(Gain) loss on sale of fixed assets				
Changes in assets and liabilities:				
Accounts receivable	-	-	-	(75)
Due from other funds	-	-	-	483,392
Cash deficit	-	-	-	-
Accounts payable	16,637	171,956	-	17,083
Due to other funds	-	-	-	(425,000)
Accrued salaries and benefits	-	-	-	(1,126)
Liability for compensated absences	-	-	-	-
Liability for unpaid claims	-	-	-	(819,898)
Total Adjustments to Net Income	<u>16,637</u>	<u>506,957</u>	<u>-</u>	<u>(745,624)</u>
Net Cash Provided by Operating Activities	<u>8,374</u>	<u>801,654</u>	<u>42,004</u>	<u>136,201</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of property, plant and equipment	<u>(159,604)</u>	<u>(661,151)</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(159,604)</u>	<u>(661,151)</u>	<u>-</u>	<u>-</u>
Cash Flows from Non-Capital and Related Financing Activities:				
Transfers in (out)	<u>259,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>259,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	108,227	140,503	42,004	136,201
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>-</u>	<u>293,971</u>	<u>177,708</u>	<u>367</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 108,227</u>	<u>\$ 434,474</u>	<u>\$ 219,712</u>	<u>\$ 136,568</u>

continued

COUNTY OF MENDOCINO

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2000

	<u>Worker's Compensation</u>	<u>Health Insurance</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Net income (loss)	<u>\$ 22,636</u>	<u>\$ (1,083,345)</u>	<u>\$ 149,554</u>
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation	-	-	335,001
(Gain) loss on sale of fixed assets			-
Changes in assets and liabilities:			
Accounts receivable	-	28,740	28,665
Due from other funds	-	-	483,392
Cash deficit	-	-	-
Accounts payable	-	751,443	957,119
Due to other funds	-	450,000	25,000
Accrued salaries and benefits	(1,376)	(941)	(3,443)
Liability for compensated absences	-	-	-
Liability for unpaid claims	-	-	(819,898)
	<u>(1,376)</u>	<u>1,229,242</u>	<u>1,005,836</u>
Total Adjustments to Net Income			
Net Cash Provided by Operating Activities	<u>21,260</u>	<u>145,897</u>	<u>1,155,390</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of property, plant and equipment	-	-	(820,755)
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(820,755)</u>
Cash Flows from Non-Capital and Related Financing Activities:			
Transfers in (out)	-	(141,766)	117,691
	<u>-</u>	<u>(141,766)</u>	<u>117,691</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,260	4,131	452,326
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>293,809</u>	<u>767</u>	<u>766,622</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 315,069</u></u>	<u><u>\$ 4,898</u></u>	<u><u>\$ 1,218,948</u></u>

Trust and Agency Funds

Trust funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

COUNTY OF MENDOCINO

Combining Balance Sheet
Trust and Agency Funds
June 30, 2000

	<u>Pension Trust Funds</u>	<u>Nonexpendable Trust Funds</u>	<u>Agency Funds</u>
<u>Assets</u>			
Cash	\$ 22,902,897	\$ 177,952	\$ 2,574,525
Due from other funds	<u>-</u>	<u>-</u>	<u>3,204,500</u>
Total Assets	<u><u>\$ 22,902,897</u></u>	<u><u>\$ 177,952</u></u>	<u><u>\$ 5,779,025</u></u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Agency obligations	<u>-</u>	<u>-</u>	<u>5,779,025</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,779,025</u>
Fund Equity:			
Fund Balances:			
Reserved for retirement system	22,902,897	-	-
Reserved for endowment funds	<u>-</u>	<u>177,952</u>	<u>-</u>
Total Fund Equity	<u>22,902,897</u>	<u>177,952</u>	<u>-</u>
Total Liabilities and Fund Equity	<u><u>\$ 22,902,897</u></u>	<u><u>\$ 177,952</u></u>	<u><u>\$ 5,779,025</u></u>

continued

COUNTY OF MENDOCINO

Combining Balance Sheet (continued)
Trust and Agency Funds
June 30, 2000

	<u>Totals</u>	
	<u>2000</u>	<u>1999</u>
<u>Assets</u>		
Cash	\$ 25,655,374	\$ 6,864,615
Due from other funds	<u>3,204,500</u>	<u>2,130,000</u>
Total Assets	<u><u>\$ 28,859,874</u></u>	<u><u>\$ 8,994,615</u></u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Agency obligations	<u>5,779,025</u>	<u>4,296,054</u>
Total Liabilities	<u>5,779,025</u>	<u>4,296,054</u>
Fund Equity:		
Fund Balances:		
Reserved for retirement system	22,902,897	4,535,183
Reserved for endowment funds	<u>177,952</u>	<u>163,378</u>
Total Fund Equity	<u>23,080,849</u>	<u>4,698,561</u>
Total Liabilities and Fund Equity	<u><u>\$ 28,859,874</u></u>	<u><u>\$ 8,994,615</u></u>

COUNTY OF MENDOCINO

Combining Balance Sheet
Nonexpendable Trusts
June 30, 2000

	<u>Redwood Valley Park</u>	<u>Walker</u>	<u>Fort Bragg Library</u>	<u>Museum</u>	<u>Totals</u>
<u>Assets</u>					
Cash in treasury	<u>\$ 56,222</u>	<u>\$ 3,142</u>	<u>\$ 23,958</u>	<u>\$ 94,630</u>	<u>\$ 177,952</u>
<u>Fund Balances</u>					
Reserved for Endowment Fund	<u>\$ 56,222</u>	<u>\$ 3,142</u>	<u>\$ 23,958</u>	<u>\$ 94,630</u>	<u>\$ 177,952</u>

COUNTY OF MENDOCINO

Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonexpendable Trusts
For the Year Ended June 30, 2000

	Redwood Valley Park	Walker	Fort Bragg Library	Museum	Totals
Operating Revenues:					
Interest	\$ 2,791	\$ 177	\$ 1,189	\$ 4,526	\$ 8,683
Total Operating Revenues	<u>2,791</u>	<u>177</u>	<u>1,189</u>	<u>4,526</u>	<u>8,683</u>
Additional contributions	-	1,026	-	8,308	9,334
Expenses:					
Administration	<u>-</u>	<u>1,080</u>	<u>-</u>	<u>2,364</u>	<u>3,444</u>
Net Income (Loss)	2,791	123	1,189	10,470	14,573
Fund Balance, Beginning of Fiscal Year	<u>53,431</u>	<u>3,019</u>	<u>22,769</u>	<u>84,160</u>	<u>163,379</u>
Fund Balance, End of Fiscal Year	<u><u>\$ 56,222</u></u>	<u><u>\$ 3,142</u></u>	<u><u>\$ 23,958</u></u>	<u><u>\$ 94,630</u></u>	<u><u>\$ 177,952</u></u>

COUNTY OF MENDOCINO

Combining Statement of Cash Flows
Nonexpendable Trusts
For the Year Ended June 30, 2000

	<u>Redwood Valley Park</u>	<u>Walker</u>	<u>Fort Bragg Library</u>	<u>Museum</u>	<u>Totals</u>
Cash Flows from Operating Activities: Net Income	<u>\$ 2,791</u>	<u>\$ 123</u>	<u>\$ 1,189</u>	<u>\$ 10,470</u>	<u>\$ 14,573</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,791	123	1,189	10,470	14,573
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>53,431</u>	<u>3,019</u>	<u>22,769</u>	<u>84,160</u>	<u>163,379</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 56,222</u>	<u>\$ 3,142</u>	<u>\$ 23,958</u>	<u>\$ 94,630</u>	<u>\$ 177,952</u>

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

	Cash Balance June 30, 2000	Cash Balance June 30, 1999
Agency Collections Payable	\$ 1,997,328	\$ 1,958,617
Welfare Advances	1,920,449	(276,027)
Cash Unapportioned Funds	(162,553)	283,754
Teeter-Tax Loss Resources Fund	(9,723,133)	(10,593,472)
Teeter-Tax Loss Fund	1,262,715	1,262,715
Total Teeter Tax	(8,460,418)	(9,330,757)
Courts - Special Revenue	1,279,970	607,938
Department Revolving:		
Drug Detection	-	-
Hospital Education	-	-
Sheriff	13,814	7,191
District Attorney	(1,020)	3,862
ATSS	10,174	11,707
Building and Demolition	5,058	5,058
General Services	(5,214)	(7,164)
Total Department Revolving	22,812	20,654
Endowment	-	-
Realignment Trust	-	-
Public Health Realignment	81,378	4,273
Social Services	-	-
CCS Realignment	38,972	312,498
	120,350	316,771
Payroll Revolving	18,458	13,243
Special Deposits:		
Clerk	18,707	34,003
RDA Housing Seaside	-	-
Copier Replacement	-	6,408
Worker's Comp Fraud	(12,688)	21,298
DA Family Child Support	-	-
DA Trust Outlawed	28,890	28,890
Special Deposits Subtotal Forwarded	34,909	90,599
Special Deposits Subtotal Forwarded	\$ 34,909	\$ 90,599

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

Special Deposits (continued):		
Probation Officer	11,945	9,767
R & R Probation	35,937	36,028
DA Auto Insurance Fraud	269	16,327
DA Asset Forfeiture	21,244	20,406
Hazardous Waste Management	-	13,819
Special Asset Forfeiture Unit	-	115,033
Sheriff (Civil)	30,021	22,498
Landfill Trust	23,800	23,800
Task Force Donations	1,183	-
Juvenile Hall Inmate Welfare	4,466	3,304
Fingerprint ID Fund	94,369	81,431
DA Consumer Fraud	3,811	38,552
Subdivision Repayments	39,599	-
Child Abduction	-	-
Tax Collector	468,211	493,353
Work Furlough EM Trust	10,189	2,120
General Trust	691,931	249,106
Court - Interest Bearing	54,002	51,321
Mental Health	29,649	79,440
H&W Comm Youth Projects	-	3,887
Museum Publication	4,866	4,216
Managed Care Trust	14,205	468,599
Computer Purchase	9,027	8,579
Arena Muni Court	-	-
Willits Municipal Court	-	-
U.J.C. Trust	(76,641)	(84,525)
Juvenile Hall Fines	-	(200)
Anderson Valley Justice Court	-	-
Ten Mile Justice Court	-	-
Long Valley Muni Court	-	-
Court Automated System	28,511	38,533
Women's Shelter	2,212	3,198
Law Library	29,318	11,451
Assessor Info - PC Fees	9,728	28,357
Jail Inmates - Welfare	127,330	116,576
Solid Waste Franchise Fee	-	-
Sheriff's Commissary Fund	8,324	1,145
Drug Court Fees	1,908	12,560
Asset Forfeiture - Litigation	-	19,103
State Asset Seizure	28,373	14,381
Victim Restitution	573	2
Asset Forfeiture - Sheriff	723	687
	<hr/>	<hr/>
Special Deposits Subtotal Forwarded	1,743,992	1,993,453
Special Deposits Subtotal Forwarded	\$ 1,743,992	\$ 1,993,453
Special Deposits (continued):		
Grand Asset Seizure	50,520	94,589

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

Fed Grant Asset Forf	8,598	146
Sheriff Vehicle Replacement	18,263	10,702
Sheriff Vehicle Maintenance	11,094	7,691
Emergency Medical	254	224,869
Child Car Seat Program	18,983	15,478
Animal Damage Control	-	-
Livestock Indemnity	2,136	94
Pub Def Education	1,362	1,465
Radio System (Sinking) Fund	25,410	27,691
Laytonville Muni Advisory	62	(528)
Gualala Community Advisory Counsel	4,894	4,769
Solid Waste Equipment Replacement	2,136	125,576
Animal Control Donations	2,009	1,517
Russian River Cemetery Capital Improvement	125,835	64,637
Rural Library Grant	-	-
Status of Women	-	297
Mendo Emergency Svcs	(12,535)	(4,852)
Ukiah Constable	-	45
Public Guardian	-	-
Public Guardian Investment	-	-
Public Adminisrator	-	-
Clerk's Automation Fund	-	-
Welfare Special	831	680,264
Landfill Closure	92,437	327,692
Friends of Bower Park	2,327	1,171
Museum	75,668	53,583
Juvenile Hall - Milk and Lunch	56,176	48,673
Juvenile Hall Donations	263	250
Library Donations	24,833	23,756
Fort Bragg Library	8,244	5,046
Willitts Library Donations	4,667	2,790
Recorder	31,014	-
CSOC Children's System of Care	69,863	-
Vitals and Health Statistics	43,472	35,442
Clets Installation - Sheriff	22,420	22,368
Off-Highway License	23,843	22,564
Food Stamps	43,607	-
Social Security Welfare	(20,036)	12,140
OES Special Projects Fund	-	-
	<hr/>	<hr/>
Special Deposits Subtotal Forwarded	2,482,642	3,803,378
	<hr/>	<hr/>
Special Deposits Subtotal Forwarded	\$ 2,482,642	\$ 3,803,378
Special Deposits (continued):		
Child Support IV-D	364,456	207,270
Cat Spay - Neuter	17,126	18,358
Interest Pool	(328,422)	(480,050)

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

Offshore Energy Assistance	1,334	139,069
Welfare IV-D	(80,658)	138,639
Public Health Automation Fund	11,068	8,250
Vital Statistics - Public Health	634	950
State Mandated Cost - Reimbursement	12,032	37,652
Aerial Maps - Assessor	3,088	1,994
Live Traps - Refund Fees	453	493
Senior Citizens Revolving	-	-
Capital Replacement - Nonvehicle	-	-
Planning and Building	1,561	153,832
Redwood Valley Park - Capital Improvement	-	-
Courts Micrographic Fee	20,318	19,819
M.T.A. Vehicle Replacement	230,012	191,670
Conversion Film - Recorder	24,188	19,781
County Alcohol	108,946	125,547
Micrographics Fees	-	-
Criminal Justice Construction	186,602	604,833
Tax Anticipation Note	-	-
Planning	-	-
Children's Trust	98,606	87,855
Geothermal Development	-	-
Challenge Grant - Children's Trust	-	(3,295)
Family Resource Program	58,217	58,217
Civil Fee Automation	15,254	12,623
CCS Travel	11,097	11,863
Courthouse Construction	29,219	85,693
Recorder's Office Modernization	179,951	165,622
Misc	39	42
Theft Fines - Justice Court	-	-
FTA - Update Warrant System	7,482	7,606
Alcohol Abuse Education	76,599	95,306
Drug Abuse Education	47,169	29,317
AIDS Education program	107	75
Wisconsin Mound	15,778	15,778
Small Claims Advisory Fund	161	(4,146)
Child Support Incentive	78,382	424,046
Dispute Resolution	41,518	42,488
	<hr/>	<hr/>
Special Deposits Subtotal Forwarded	3,714,959	6,020,575
Special Deposits Subtotal Forwarded	\$ 3,714,959	\$ 6,020,575
Special Deposits (continued):		
Sheriff Special Project	36,764	7,245
Current Supplemental REEU	-	4,762
Medicare Crossover	-	-
County Bounty Incentive Program	-	-
Family Center Trust	250	250

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

Hugs & Kids Project	-	-
BCCCP Coalition	-	245
Rehit Trust	87,057	69,478
Fish and Game Recovery	19,417	18,469
Lincoln Trust	20,055	20,055
Federal Asset Forfeiture	2,720	2,572
Employee Computer Purchase	(51,061)	(43,779)
Living Communities	-	-
COPS Program	3,830	3,578
Redwood Valley Fire Equipment	1,855	1,765
AB818 Property Loan Program	32,040	48,122
LEAA	15,367	12,415
SNAFU	6,066	21,256
SNAFU Interest Bearing	24,006	7,266
SNAFU Evidence Cash	<u>138,724</u>	<u>296,989</u>
Fund 2410	<u>4,052,049</u>	<u>6,491,263</u>
Special District Construction	<u>58</u>	<u>55</u>
Special District General Obligation Debt Service	<u>289,904</u>	289,256
Brooktrails Construction BIR	<u>(11,890)</u>	<u>(11,890)</u>
Anderson Valley Cemetery	27,700	24,200
Cemetery District of Redwoods	82,366	76,152
Covelo Cemetery	1,368	593
Hopland Cemetery	5,689	5,407
Mendo/Little River	18,646	16,646
Potter Valley Cemetery	11,225	10,325
Russian River Cemetery	29,528	292,167
Westport/10 Mile	6,525	6,525
Covelo Fire Department	120	114
Ukiah Library	119,721	106,023
Fort Bragg Library - NET	-	-
Low Gap Park	21,879	33,170
Bookmobile	7,852	6,893
Willits Library	<u>4,662</u>	<u>3,424</u>
Fund 2710	<u>337,281</u>	<u>581,639</u>
Total Special Deposits	<u>4,667,402</u>	<u>7,350,323</u>
Grant Funds:		
CTIA Admin	\$ -	\$ -
Community Block Development Grant	153,971	(53,797)
JFIKIFS	2,000	2,000
CDBG	255,515	188,727
Railroad Fund MTA	3,612	3,433
Mendocino Council of Governments Transportation	8,744	159
Mendocino Transit Authority	365,842	491,559
MTA Capital	161,418	75,742
Medi-Cal Outreach	(64,868)	(22,053)

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

Food Handler Certification	18,897	11,364
Workforce Investment Act	(1,208)	-
MIOCR Planning	-	(15,000)
WINDO	(557)	(350)
Maternal Child Health - CPSP	-	-
Women, Infants, and Children	(56,477)	(65,804)
Maternal Child Health	(71,657)	(108,154)
Drug CT Partnership Program	(10,179)	-
Mendocino Solid Waste Management	337,154	295,140
California Wellnes Grant	52,949	62,070
California Arts Council	-	9,274
RDWD Empire Planning and Prevention	(8,284)	49,021
Community Planning and Prevention	21,649	19,005
Coastal Conservatory	-	-
Garcia River Water	-	-
Elk Community Center	972	924
Ca Complete Count (Census)	298	-
Russian River - ARMP	-	599
Navarro Watershed Restoration	40	40
Supportive Housing	(2,848)	(2,848)
Adolescent Family Life Prog	(93,840)	(92,842)
Eel - River Watershed	3,357	2,095
Round Valley Co-Op Library	-	-
Drug Court	(114,266)	(59,960)
Domestic Violence Council	114	114
Rural Health Collaborative	(58,852)	(33,849)
HIV Consortium	(14,047)	-
State Coastal Conservancy - Garcia	226	4,451
Jackson State Education	-	-
CDF Road Building Guide	16,705	13,520
EPA/SWRCB 319(h) Garcia	(588)	813
EEL River Planning 205J	5,027	-
Livescan Fingerprint	687	687
Statutory Rape Vertical Prosecution	<u>(50,464)</u>	<u>(14,340)</u>
 Grant Funds Subtotal Forwarded	 861,042	 761,740
 Grant Funds Subtotal Forwarded	 \$ 861,042	 \$ 761,740
 Grant Funds (continued):		
Child Abuser Vertical Prosecution	805	805
Law Enforcement Block Grant	(30)	4,069
Covelo Cleanup - Env Health	-	-
LEA Solid Waste Grant	87,253	63,559
Tobacco Education Services	89,946	101,408
BCCP	(22,461)	(15,740)
Special Emphasis Victims	(33,061)	(29,055)
Comprehensive Perinatal Outreach	(26,374)	(29,768)
Law Enforcement Block Grant	44,745	71,426

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

M.T.A. Senior Transportation	60,663	63,620
SADDAP	(4,710)	(35,562)
CDF Instream Monitoring	15,835	(4,345)
Garcia River Enhancement	4,314	4,100
Marijuana Suppression	6,941	(37,971)
Victim/Witness Assistance	(30,069)	(17,579)
Anti-Drug Abuse ENF	(32,959)	(38,987)
DEA	3,186	46,208
Correction Officers Training	2,759	932
Ag Product Marketing Study	-	-
Strategic Tourism Mktg Plan	358	358
Tomki Phase I	-	-
NRCS Russian River	185	170
MCRCD Fines	16,503	15,186
Adopt a Watershed	374	374
Tomki Video	1,073	1,020
Transitional Housing	10,655	10,655
Communities Fund Project	248,163	138,664
Family Law Facilitator	(20,132)	8,660
SNAP Public Health	-	-
DFG Upper Eel	(626)	-
CMSP W & P Project	134,589	-
Court Technology Grant	-	21,626
Public Health Initiative	31,549	-
AIDS Public Health	6,749	12,415
AIDS - Education	(194,842)	(123,783)
CMSP Wellness and Prevention	7	60,716
Library Computer Literacy Seniors	-	49,969
Family Planning Program	(43,339)	(15,165)
LLEBG MC Youth Project	73,645	-
CoAir Grant	-	-
Navarro Watershed SCC	26	-
Student Assistance Project	(77,095)	93,362
	<hr/>	<hr/>
Grant Funds Subtotal Forwarded	1,215,667	1,183,087
Grant Funds Subtotal Forwarded	\$ 1,215,667	\$ 1,183,087
 Grant Funds (continued):		
TB Control		-
Family Visitation	(43,900)	(10,272)
Child Health and Disability Program	(11,915)	37,321
Public Health - Hazardous Material	13,596	11,352
F & G Mill Creek MCRCD	5	54
OCPJ/ECMV	(2,726)	-
	<hr/>	<hr/>
Total Grant Funds	1,170,727	1,221,542
	<hr/>	<hr/>
Employees' Retirement Fund	22,902,897	4,535,183
	<hr/>	<hr/>

COUNTY OF MENDOCINO

Combining Statement of Cash Balances
All Agency Funds
June 30, 2000

Total Cash All Agency Funds	<u>25,477,422</u>	<u>6,701,241</u>
Due from other funds	3,204,500	2,130,000
Deferred Compensation	-	-
Cash in Bank	<u>-</u>	<u>-</u>
Total Agency Funds	<u>\$ 28,681,922</u>	<u>\$ 8,831,241</u>

OTHER REPORTS

COUNTY OF MENDOCINO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Social Services				
Food Stamps	10.551*	--	\$ 4,512,000	\$ 5,539,299
State Administrative Matching Grants for Food Stamp Program	10.561*	--	769,993	797,459
Passed through State Department of Health Services				
Special Supplemental Food Program for Women, Infants, and Children	10.557	--	350,636	352,374
Passed through State Controller's Office				
Schools and Roads – Grants to States	10.665	--	<u>50,873</u>	<u>50,873</u>
Total U.S. Department of Agriculture			<u>\$ 5,683,502</u>	<u>\$ 6,740,005</u>
<u>U.S. Department of Defense</u>				
Passed through State Controller's Office				
Flood Control Lands	12.106	--	<u>\$ 750</u>	<u>\$ 750</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through State Department of Housing and Community Development				
Community Development Block Grant/State's Program	14.228	STBG1064	22,856	22,856
Community Development Block Grant/State's Program	14.228	EDBG0536	455,000	455,000
Community Development Block Grant/State's Program	14.228	EDBG0464	<u>62,375</u>	<u>62,375</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 540,231</u>	<u>\$ 540,231</u>
<u>U.S. Department of the Interior</u>				
Passed through Bureau of Land Management				
Payments in Lieu of Taxes	15.226	--	<u>\$ 134,043</u>	<u>\$ 134,043</u>
<u>U.S. Department of Justice</u>				
Direct Program				
COPS	16.711	--	258,226	258,226
Passed through Office of Criminal Justice Planning				
Drug Control and System Improvement – Formula Grant	16.579	DC99100230	148,284	185,286
Drug Control and System Improvement – Formula Grant	16.579	DC97080140	41,409	--
Marijuana Suppression and Prosecution	16.579	MS99150230	116,893	229,142
Marijuana Suppression and Prosecution	16.579	MS97010230	59,798	--
Special Emphasis Victims	16.579	SE97010230	68,334	121,432

* Indicates Major Program

COUNTY OF MENDOCINO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice (continued)</u>				
Passed through State Board of Corrections				
Juvenile Hall Enhancement Project	16.586*	116-98	\$ 100,382	\$ 118,505
Violent Offender Incarceration Project	16.586*	062-97	<u>1,257,876</u>	<u>1,572,345</u>
Total U.S. Department of Justice			<u>\$ 2,051,202</u>	<u>\$ 2,484,936</u>
<u>U.S. Department of Labor</u>				
Passed through State Employment Development Department				
JTPA Title III	17.250	M965879	196,896	196,896
Welfare to Work	17.253	W801109	518,183	518,183
Wagner-Peyser One-Stop	17.257	M965879	50,672	50,672
Passed through State Trade and Commerce Agency				
Job Creation Investment Fund		C99-0288	<u>43,408</u>	<u>43,408</u>
Total U.S. Department of Labor			<u>\$ 809,159</u>	<u>\$ 809,159</u>
<u>U.S. Department of Transportation</u>				
Passed through State Department of Transportation				
Highway Planning and Construction	20.205*	BENSTPL5910016	2,496	2,496
Highway Planning and Construction	20.205*	BRLO5910012	507,514	507,514
Highway Planning and Construction	20.205*	BRLSSTPL5910004	1,808,074	1,808,074
Highway Planning and Construction	20.205*	ER3206002	141,547	141,547
Highway Planning and Construction	20.205*	ER3206003	--	16,793
Highway Planning and Construction	20.205*	ER3206004	6,409	6,409
Highway Planning and Construction	20.205*	ER3206006	--	187,230
Highway Planning and Construction	20.205*	STPLE5910007	120,522	120,522
Highway Planning and Construction	20.205*	STPLZ5910010	--	7,940
Highway Planning and Construction	20.205*	STPLZ5910020	--	184,610
Highway Planning and Construction	20.205*	STPLHG591008	<u>30,511</u>	<u>30,511</u>
Total U.S. Department of Transportation			<u>\$ 2,617,073</u>	<u>\$ 3,013,646</u>
<u>Federal Emergency Management Agency</u>				
Passed through the State Department of Emergency Services				
Disaster Assistance	83.544	979	108,469	108,469
Disaster Assistance	83.544	1046	9,456	9,456
Disaster Assistance	83.544	1203	<u>200,988</u>	<u>200,988</u>
Total Federal Emergency Management Agency			<u>\$ 318,913</u>	<u>\$ 318,913</u>

* Indicates Major Program

COUNTY OF MENDOCINO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>				
Passed through State Department of Alcohol and Drug Abuse Programs				
Drug-Free Schools and Communities – State Grants	84.186	--	\$ 39,924	\$ 39,924
Total U.S. Department of Education			\$ 39,924	\$ 39,924
<u>U.S. Department of Health and Human Services</u>				
Passed through State Department of Social Services				
Family Preservation and Support Service	93.556	--	183,584	89,062
Temporary Assistance for Needy Families	93.558*	--	7,976,224	9,056,014
Child Support Enforcement	93.563	--	2,014,093	1,471,948
Child Support Incentives	93.563	--	272,191	272,191
Refugee and Entrant Assistance – State Administered Programs	93.566	--	7,594	7,594
Federal Community Based Family Resource Grant	93.590	--	--	21,251
Child Welfare Services – State Grants	93.645	--	316,343	316,343
Foster Care – Title IV-E	93.658*	--	3,251,952	3,909,003
Adoption Assistance Program	93.659	--	430,874	399,692
Social Services Block Grant	93.667	--	520,623	535,719
Independent Living	93.674	--	68,893	107,716
Subtotal			15,042,371	16,186,533
Passed through State Department of Health Services				
Pregnancy Outreach Program	93.101	--	16,875	20,835
Maternal and Child Health Services	93.110	--	232,410	188,037
Family Planning – Services	93.217	--	44,500	43,518
Medical Assistance Program/MAA/TCM	93.778	--	981,097	1,031,684
Safe Haven/Violence Prevention Program	93.910	--	103,070	103,070
Breast and Cervical Cancer Control Program	93.919	--	88,015	94,736
Subtotal			1,465,967	1,481,880
Passed through the State Department of Mental Health				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	10,832	10,832
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	18,372	18,372
Subtotal			29,204	29,204

COUNTY OF MENDOCINO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u> (continued)				
Passed through State Department of Alcohol and Drug Abuse Programs				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	\$ 651,237	\$ 651,237
Total Department of Health and Human Services			\$ 17,188,779	\$ 18,348,854
Total Expenditures of Federal Awards			\$ 29,383,576	\$ 32,430,461

* Indicates Major Program

COUNTY OF MENDOCINO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Note 1: **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity all federal financial assistance programs of the County of Mendocino. The County of Mendocino reporting entity is defined in Note 1 to the County's general purpose financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the cash basis of accounting, while the general purpose financial statements were presented using the modified accrual basis of accounting.

Note 3: **Physical Count of Food Stamp Coupons**

A physical count of the food stamp coupon inventory was conducted. The count was reconciled to the inventory stated on the FNS-250.

Note 4: **Office of Criminal Justice Planning Disclosures for Federal Grants**

The following represents expenditures for the Drug Control and Systems Improvement - Formula Grant, CFDA No. 16.579, for the fiscal year ended June 30, 2000.

A. Grant No.: DC99100230

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 170,972	\$ 167,364	\$ 3,608
Operating Expenses	20,866	16,314	4,552
Equipment	<u>1,687</u>	<u>1,608</u>	<u>79</u>
Totals	<u>\$ 193,525</u>	<u>\$ 185,286</u>	<u>\$ 8,239</u>

COUNTY OF MENDOCINO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Note 4: **Office of Criminal Justice Planning Disclosures for Federal Grants** (continued)

The following represents expenditures for the Marijuana Suppression and Prosecution – Formula Grant, CFDA No. 16.579, for the fiscal year ended June 30, 2000.

B. Grant No.: MS99150230

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 181,025	\$ 160,586	\$ 20,439
Operating Expenses	68,975	68,556	419
Equipment	<u> --</u>	<u> --</u>	<u> --</u>
Totals	<u>\$ 250,000</u>	<u>\$ 229,142</u>	<u>\$ 20,858</u>

The following represents expenditures for the Special Emphasis Victims – Formula Grant, CFDA No. 16.579, for the fiscal year ended June 30, 2000.

C. Grant No.: SE97010230

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 274,184	\$ 273,588	\$ 596
Operating Expenses	47,783	43,955	3,828
Equipment	<u>34,283</u>	<u>26,806</u>	<u>7,477</u>
Totals	<u>\$ 356,250</u>	344,349	<u>\$ 11,901</u>
Less: Reported Prior Year		<u>(222,917)</u>	
Reported This Year		<u>\$ 121,432</u>	

COUNTY OF MENDOCINO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Note 5: **Office of Criminal Justice Planning Disclosures for State Grants**

The following represents expenditures for the Victim Witness program for the fiscal year ended June 30, 2000.

A. Grant No.: VW97180230

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 281,739	\$ 280,767	\$ 972
Operating Expenses	55,342	54,763	579
Equipment	<u>9,218</u>	<u>--</u>	<u>9,218</u>
Totals	<u>\$ 346,299</u>	335,530	<u>\$ 10,769</u>
Less: Reported Prior Year		<u>(220,986)</u>	
Reported This Year		<u>\$ 114,544</u>	

The following represent expenditures for the Statutory Rape Vertical Prosecution program for the fiscal year ended June 30, 2000.

B. Grant No.: SR97020230

	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 254,517	\$ 247,763	\$ 6,754
Operating Expenses	58,907	46,551	12,356
Equipment	<u>--</u>	<u>--</u>	<u>--</u>
Totals	<u>\$ 313,424</u>	294,314	<u>\$ 19,110</u>
Less: Reported Prior Year		<u>(189,068)</u>	
Reported This Year		<u>\$ 105,246</u>	

Bartig, Basler & Ray

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Certified Public Accountants and Management Consultants

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Kenneth E. Pope
Brad W. Constantine
Theril H. Lund
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Curtis A. Orgill

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

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

We have audited the financial statements of County of Mendocino as of and for the year ended June 30, 2000, and have issued our report thereon dated September 7, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Mendocino's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving

Board of Supervisor and Grand Jury
County of Mendocino

the internal control over financial reporting, which we have reported to management of County of Mendocino in a separate report dated September 7, 2000.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

September 7, 2000

Bartig, Basler & Ray

A Professional Corporation

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of County of Mendocino with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. County of Mendocino's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County of Mendocino's management. Our responsibility is to express an opinion on County of Mendocino's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Mendocino's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County of Mendocino's compliance with those requirements.

In our opinion, the County of Mendocino complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Board of Supervisors and Grand Jury
County of Mendocino

Internal Control Over Compliance

The management of County of Mendocino is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered County of Mendocino's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

September 7, 2000

COUNTY OF MENDOCINO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2000

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's reported issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Reportable conditions identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal controls over major program: | |
| a. Material weaknesses identified? | No |
| b. Reportable conditions identified not considered to be material weaknesses | No |
| 2. Type of auditor's report issued on compliance for major program: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No |
| 4. Identification of major program: | |

CFDA Number

Name of Federal Program

10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamp Program
16.586	Violent Offender Incarceration Program
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E

- | | |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs. | \$ 972,914 |
|---|------------|

COUNTY OF MENDOCINO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2000

Section 1 (continued)

Summary of Auditor's Results

6. Auditee qualified as a low-risk auditee under
OMB Circular A-133, Section 530?

Yes

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

None reported

COUNTY OF MENDOCINO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2000

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Finding</u>
99-1	Not corrected this fiscal year. Seven of twenty-five case files selected for testing were missing updated reassessments.
99-2	Corrected this fiscal year.