

**COUNTY OF MENDOCINO**

**AUDIT REPORT**

**JUNE 30, 2001**

**COUNTY OF MENDOCINO**

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# Bartig, Basler & Ray

A Professional Corporation

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Certified Public Accountants and Management Consultants

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Frank V. Trythall  
Kenneth E. Pope  
Brad W. Constantine  
Theril H. Lund  
Bruce W. Stephenson

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Curtis A. Orgill

## 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, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2001, 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 accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Board of Supervisors and Grand Jury  
County of Mendocino

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.

A handwritten signature in black ink that reads "Bartig, Basler & Ray, CPAs, Inc." The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Roseville, California  
September 6, 2001

**GENERAL PURPOSE FINANCIAL STATEMEN**

**COUNTY OF MENDOCINO**

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

ASSETS

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
Cash and investments	\$ 385,340	\$ 4,053,470	\$ 213,677	\$ 1,686,227
Restricted Assets:				
Cash with fiscal agent	-	-	7,810,322	10,643,361
Imprest cash	5,736	366	-	-
Other cash	5,490	-	-	-
Accounts receivable	647,401	59,022	84,297	-
Due from other governmental agencies	6,800,822	1,112,054	-	-
Taxes receivable	2,388,711	-	-	-
Inventory	284,386	613,189	-	-
Other assets	50	-	-	-
Advances receivable	-	-	-	-
Due from other funds	6,741	1,341,516	50,071	-
Property, plant and equipment	-	-	-	-
Amount available for retirement of long-term debt	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Total Assets	\$10,524,677	\$ 7,179,617	\$ 8,158,367	\$ 12,329,588

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	2001	2000
Internal Service	Trust and Agency				
\$ 1,527,060	\$ 74,512,499	\$ -	\$ -	\$ 82,378,273	\$ 32,546,820
-	-	-	-	18,453,683	4,753,697
-	-	-	-	6,102	5,827
-	-	-	-	5,490	5,490
154,855	-	-	-	945,575	11,043,327
-	-	-	-	7,912,876	972,837
-	-	-	-	2,388,711	-
-	-	-	-	897,575	817,020
-	-	-	-	50	50
-	-	-	-	-	280,000
-	-	-	-	1,398,328	3,204,500
1,615,294	-	68,738,952	-	70,354,246	58,523,902
-	-	-	7,940,466	7,940,466	5,838,213
-	-	-	61,213,268	61,213,268	45,704,222
<u>\$ 3,297,209</u>	<u>\$ 74,512,499</u>	<u>\$ 68,738,952</u>	<u>\$ 69,153,734</u>	<u>\$ 253,894,643</u>	<u>\$ 163,695,905</u>

continued



**COUNTY OF MENDOCINO**

Combined Balance Sheet (continued)  
All Fund Types and Account Groups  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

LIABILITIES AND EQUITIES

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
Liabilities:				
Accounts payable	\$ 1,784,695	\$ 741,947	\$ 4,877	\$ 31,875
Accrued salaries and benefits	1,217,517	114,115	-	-
Matured principal and interest payable	-	-	213,023	-
Due to other funds	-	6,741	50,071	-
Advances payable	-	-	-	-
Bonds payable	-	-	-	-
Liability for unpaid claims	-	-	-	-
Compensated absences	-	-	-	-
Capital lease obligation	-	-	-	-
Agency obligations	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
Total Liabilities	<u>3,002,212</u>	<u>862,803</u>	<u>267,971</u>	<u>31,875</u>
Fund Equity and Other Credits:				
Retained Earnings:				
Unreserved	-	-	-	-
Investment in general fixed assets	-	-	-	-
Fund Balances:				
Reserved:				
Encumbrances and other	2,426,829	705,028	-	-
Reserved for external pool participants	-	-	-	-
Reserved for retirement system	-	-	-	-
Reserved for endowment funds	-	-	-	-
Unreserved:				
Designated for debt service	-	-	7,890,396	-
Designated for capital projects	-	-	-	12,297,713
Designated for other	-	134,686	-	-
Undesignated	<u>5,095,636</u>	<u>5,477,100</u>	<u>-</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>7,522,465</u>	<u>6,316,814</u>	<u>7,890,396</u>	<u>12,297,713</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$10,524,677</u>	<u>\$ 7,179,617</u>	<u>\$ 8,158,367</u>	<u>\$ 12,329,588</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	2001	2000
Internal Service	Trust and Agency				
\$ 1,335,640	\$ -	\$ -	\$ -	\$ 3,899,034	\$ 3,401,585
4,172	-	-	-	1,335,804	1,125,739
-	-	-	-	213,023	149,386
1,341,516	-	-	-	1,398,328	3,204,500
-	-	-	-	-	280,000
-	-	-	59,775,000	59,775,000	45,390,000
312,292	-	-	-	312,292	321,073
4,289	-	-	3,198,738	3,203,027	2,810,198
-	-	-	710,314	710,314	785,949
-	12,409,872	-	-	12,409,872	5,779,025
-	-	-	5,469,682	5,469,682	2,560,577
<u>2,997,909</u>	<u>12,409,872</u>	<u>-</u>	<u>69,153,734</u>	<u>88,726,376</u>	<u>65,808,032</u>
299,300	-	-	-	299,300	332,972
-	-	68,738,952	-	68,738,952	57,095,888
-	-	-	-	3,131,857	3,325,505
-	58,725,630	-	-	58,725,630	-
-	3,180,882	-	-	3,180,882	22,902,897
-	196,115	-	-	196,115	177,952
-	-	-	-	7,890,396	5,838,213
-	-	-	-	12,297,713	244,325
-	-	-	-	134,686	642,030
-	-	-	-	10,572,736	7,328,091
<u>299,300</u>	<u>62,102,627</u>	<u>68,738,952</u>	<u>-</u>	<u>165,168,267</u>	<u>97,887,873</u>
<u>\$ 3,297,209</u>	<u>\$ 74,512,499</u>	<u>\$ 68,738,952</u>	<u>\$ 69,153,734</u>	<u>\$ 253,894,643</u>	<u>\$ 163,695,905</u>

**COUNTY OF MENDOCINO**

Combined Statement of Revenues, Expenditures and Changes in Total Equity  
 All Governmental Fund Types  
 For the Fiscal Year Ended June 30, 2001  
 (With Comparative Figures for the Year Ended June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Taxes	\$ 34,498,999	\$ 277,351	\$ -	\$ -
Licenses, permits and franchises	2,105,057	688,101	-	-
Intergovernmental	66,602,104	9,739,823	-	-
Revenue from use of money and property	2,177,442	261,348	168,434	-
Fines, forfeitures and penalties	666,864	165,412	-	-
Charges for services	8,162,191	105,584	3,575,798	-
Other revenue	2,036,087	808,310	9,435,192	17,639,210
<b>Total Revenues</b>	<b>116,248,744</b>	<b>12,045,929</b>	<b>13,179,424</b>	<b>17,639,210</b>
<b>Expenditures:</b>				
General government	15,131,600	-	1,332,262	-
Public protection	30,603,814	285,144	-	-
Public ways and facilities	78,840	11,241,316	-	-
Health and sanitation	19,527,584	1,282,785	-	-
Public assistance	44,337,929	-	-	-
Education	194,386	1,031,858	-	-
Recreation and culture services	212,884	-	-	-
Debt service - principal	-	-	7,060,000	-
Debt service - interest	-	-	3,586,460	-
Capital outlay	-	914,769	-	5,683,746
<b>Total Expenditures</b>	<b>110,087,037</b>	<b>14,755,872</b>	<b>11,978,722</b>	<b>5,683,746</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>6,161,707</b>	<b>(2,709,943)</b>	<b>1,200,702</b>	<b>11,955,464</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	187,484	4,015,462	851,481	50,000
Operating transfers out	(4,944,887)	(118,246)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,757,403)</b>	<b>3,897,216</b>	<b>851,481</b>	<b>50,000</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>1,404,304</b>	<b>1,187,273</b>	<b>2,052,183</b>	<b>12,005,464</b>
<b>Total Equity at Beginning of Year</b>	<b>6,118,161</b>	<b>5,129,541</b>	<b>5,838,213</b>	<b>292,249</b>
<b>Total Equity at End of Year</b>	<b>\$ 7,522,465</b>	<b>\$ 6,316,814</b>	<b>\$ 7,890,396</b>	<b>\$ 12,297,713</b>

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

Totals (Memorandum Only)

<u>2001</u>	<u>2000</u>
\$ 34,776,350	\$ 33,561,039
2,793,158	2,378,489
76,341,927	72,343,303
2,607,224	1,911,665
832,276	1,523,786
11,843,573	12,051,272
29,918,799	3,416,877
<u>159,113,307</u>	<u>127,186,431</u>
16,463,862	15,304,783
30,888,958	28,338,236
11,320,156	12,950,180
20,810,369	16,990,395
44,337,929	38,663,386
1,226,244	1,179,983
212,884	206,102
7,060,000	424,525
3,586,460	2,130,665
6,598,515	2,877,273
<u>142,505,377</u>	<u>119,065,528</u>
<u>16,607,930</u>	<u>8,120,903</u>
5,104,427	6,632,622
<u>(5,063,133)</u>	<u>(6,661,856)</u>
41,294	(29,234)
16,649,224	8,091,669
<u>17,378,164</u>	<u>9,286,495</u>
<u>\$ 34,027,388</u>	<u>\$ 17,378,164</u>

**COUNTY OF MENDOCINO**

Combined Statement of Revenues, Expenditures and Other Financing Sources (Uses)  
 Budget and Actual on Budgetary Basis  
 General, Special Revenue and Debt Service Funds  
 For the Fiscal Year Ended June 30, 2001

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 33,993,459	\$ 34,498,999	\$ 505,540
Licenses, permits and franchises	1,989,565	2,105,057	115,492
Intergovernmental	69,921,736	66,602,104	(3,319,632)
Fines, forfeitures and penalties	1,152,410	666,864	(485,546)
Revenue from use of money and property	1,819,370	2,177,442	358,072
Charges for services	8,756,345	8,162,191	(594,154)
Other revenue	2,502,543	2,036,087	(466,456)
Total Revenues	<u>120,135,428</u>	<u>116,248,744</u>	<u>(3,886,684)</u>
Expenditures:			
General government	19,479,344	15,131,600	4,347,744
Public protection	31,160,021	30,603,814	556,207
Public ways and facilities	79,606	78,840	766
Health and sanitation	20,927,320	19,527,584	1,399,736
Public assistance	48,180,923	44,337,929	3,842,994
Education	187,077	194,386	(7,309)
Recreation and culture services	220,997	212,884	8,113
Debt service - principal	--	--	--
Debt service - interest	--	--	--
Capital outlay	--	--	--
Total Expenditures	<u>120,235,288</u>	<u>110,087,037</u>	<u>10,148,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(99,860)</u>	<u>6,161,707</u>	<u>6,261,567</u>
Other Financing Sources (Uses):			
Operating transfers in	198,020	187,484	(10,536)
Operating transfers out	--	(4,944,887)	(4,944,887)
Total Other Financing Sources (Uses)	<u>198,020</u>	<u>(4,757,403)</u>	<u>(4,955,423)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	98,160	1,404,304	1,306,144
Total Equity at Beginning of Year	<u>6,118,161</u>	<u>6,118,161</u>	<u>--</u>
Total Equity at End of Year	<u>\$ 6,216,321</u>	<u>\$ 7,522,465</u>	<u>\$ 1,306,144</u>

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

Special Revenue Funds			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 451,578	\$ 277,351	\$ (174,227)	\$ --	\$ --	\$ --
41,600	688,101	646,501	--	--	--
10,097,623	9,739,823	(357,800)	--	--	--
136,000	165,412	29,412	--	--	--
72,500	261,348	188,848	240,800	168,434	(72,366)
57,300	105,584	48,284	3,401,219	3,575,798	174,579
4,661,003	808,310	(3,852,693)	1,741,044	9,435,192	7,694,148
<u>15,517,604</u>	<u>12,045,929</u>	<u>(3,471,675)</u>	<u>5,383,063</u>	<u>13,179,424</u>	<u>7,796,361</u>
	--	--	13,800	1,332,262	(1,318,462)
473,587	285,144	188,443	--	--	--
14,759,012	11,241,316	3,517,696	--	--	--
868,476	1,282,785	(414,309)	--	--	--
--	--	--	--	--	--
1,000,160	1,031,858	(31,698)	--	--	--
--	--	--	--	--	--
--	--	--	2,960,000	7,060,000	(4,100,000)
--	--	--	3,380,948	3,586,460	(205,512)
913,061	914,769	(1,708)	--	--	--
<u>18,014,296</u>	<u>14,755,872</u>	<u>3,258,424</u>	<u>6,354,748</u>	<u>11,978,722</u>	<u>(5,623,974)</u>
<u>(2,496,692)</u>	<u>(2,709,943)</u>	<u>(213,251)</u>	<u>(971,685)</u>	<u>1,200,702</u>	<u>2,172,387</u>
--	4,015,462	4,015,462	971,685	851,481	(120,204)
--	(118,246)	(118,246)	--	--	--
<u>--</u>	<u>3,897,216</u>	<u>3,897,216</u>	<u>971,685</u>	<u>851,481</u>	<u>(120,204)</u>
(2,496,692)	1,187,273	3,683,965	--	2,052,183	2,052,183
<u>5,129,541</u>	<u>5,129,541</u>	<u>--</u>	<u>5,838,213</u>	<u>5,838,213</u>	<u>--</u>
<u>\$ 2,632,849</u>	<u>\$ 6,316,814</u>	<u>\$ 3,683,965</u>	<u>\$ 5,838,213</u>	<u>\$ 7,890,396</u>	<u>\$ 2,052,183</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, 2001

	Proprietary Fund Types Internal Service	Fiduciary Fund Types Nonexpendable Trusts	Totals (Memorandum Only)
Operating Revenues:			
Charges and fees	\$ 9,875,519	\$ --	\$ 9,875,519
Other	116,481	--	116,481
Total Operating Revenues	<u>9,992,000</u>	<u>--</u>	<u>9,992,000</u>
Operating Expenses:			
Salaries and benefits	95,559	--	95,559
Maintenance and repair	69,964	--	69,964
Services and supplies	1,860,223	--	1,860,223
Other	1,677	--	1,677
Insurance	441,748	--	441,748
Depreciation	418,916	--	418,916
Claims and judgements	6,948,417	--	6,948,417
Total Operating Expenses	<u>9,836,504</u>	<u>--</u>	<u>9,836,504</u>
Operating Income (Loss)	<u>155,496</u>	<u>--</u>	<u>155,496</u>
Nonoperating Revenues (Expenses)			
Interest	(28,356)	11,334	(17,022)
Gain on sale of fixed assets	(4,321)	--	(4,321)
Other	44,407	6,829	51,236
Total Nonoperating Revenues (Expenses)	<u>11,730</u>	<u>18,163</u>	<u>29,893</u>
Income (loss) before Operating Transfers	<u>167,226</u>	<u>18,163</u>	<u>185,389</u>
Operating Transfers:			
Operating transfers in	115,000	--	115,000
Operating transfers out	(156,294)	--	(156,294)
Total Operating Transfers	<u>(41,294)</u>	<u>--</u>	<u>(41,294)</u>
Net income (loss)	125,932	18,163	144,095
Retained Earnings, Beginning of Fiscal Year	332,972	177,952	510,924
Prior Period Adjustment	<u>(159,604)</u>	<u>--</u>	<u>(159,604)</u>
Retained Earnings, End of Fiscal Year	<u>\$ 299,300</u>	<u>\$ 196,115</u>	<u>\$ 495,415</u>

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

**COUNTY OF MENDOCINO**

Combined Statement of Cash Flows  
 Proprietary Fund Types  
 For the Year Ended June 30, 2001

	Proprietary Fund Types Internal Service	Fiduciary Fund Types Nonexpendable Trusts	Totals (Memorandum Only)
Cash Flows from Operating Activities:			
Operating income (loss)	\$ 155,496	\$ --	\$ 155,496
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	418,916	--	418,916
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	63,857	--	63,857
Increase (decrease) in accounts payable	291,080	--	291,080
Increase (decrease) in due to other funds	(98,484)	--	(98,484)
Increase (decrease) in liability for unpaid claims	(8,781)	--	(8,781)
Increase (decrease) in accrued salaries and benefits	1,392	--	1,392
	823,476	--	823,476
Net Cash Provided (Used) by Operating Activities			
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sales of fixed assets	24,979	--	24,979
Purchase of property, plant and equipment	(795,100)	--	(795,100)
	(770,121)	--	(770,121)
Net Cash Provided (Used) by Capital and Related Financing Activities			
Cash Flows from Non-Capital and Related Financing Activities:			
Transfers in	115,000	--	115,000
Other income	44,407	6,829	51,236
Advances from (to) other funds	280,000	--	280,000
Transfers (out)	(156,294)	--	(156,294)
	283,113	6,829	289,942
Net Cash Provided (Used) by Non-Capital and Related Financing Activities			
Cash Flows from Investing Activities			
Interest paid	(111,683)	--	(111,683)
Interest received	83,327	11,334	94,661
	(28,356)	11,334	(17,022)
Net Cash Provided (Used) by Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	308,112	18,163	326,275
Cash and Cash Equivalents, Beginning of Fiscal Year	1,218,948	177,952	1,396,900
Cash and Cash Equivalents, End of Fiscal Year	\$ 1,527,060	\$ 196,115	\$ 1,723,175

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, 2001

Note 1: **Summary of Significant Accounting Policies**

**A. Reporting Entity**

The County of Mendocino (County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County supervisors. The financial statements present all the fund types and account groups of the County and its component unit.

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.

# COUNTY OF MENDOCINO

Notes to Financial Statements  
June 30, 2001

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Fund Accounting** (continued)

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:

**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.

# COUNTY OF MENDOCINO

Notes to Financial Statements  
June 30, 2001

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Fund Accounting** (continued)

**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.

**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, 2001

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, 2001

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, 2001

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, 2001

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, 2001

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>
Imprest Cash	\$ 5,736	\$ 366	\$ --	\$ --
Encumbrances	2,136,707	91,473	--	--
Inventory	284,386	613,189	--	--
External pool participants	--	--	--	58,725,630
Retirement system	--	--	--	3,180,882
Endowment funds	--	--	--	<u>196,115</u>
Totals	<u>\$ 2,426,829</u>	<u>\$ 705,028</u>	<u>\$ --</u>	<u>\$ 62,102,627</u>
				<u>Special Revenue</u>
<u>Unreserved Designated for Other</u>				
Road Fund				\$ 133,000
Special Aviation				<u>1,686</u>
				<u>\$ 134,686</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

Note 2: **Cash in Treasury**

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

General Fund	\$ 385,340
Special Revenue Funds	4,053,470
Debt Service Funds	213,677
Capital Projects Funds	1,686,227
Internal Service Funds	1,527,060
Trust and Agency Funds	<u>74,512,499</u>
 Total Cash and Investments Presented on Financial Statements	 82,378,273
 Outstanding Warrants	 10,949,460
Treasurer Outstanding Items	645,959
Other reconciling items	<u>158,422</u>
 Total Cash and Investments in County Treasury at June 30, 2001	 <u>\$ 93,815,270</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, 2001. 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, 2001, 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, 2001

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, 2001:

**COUNTY OF MENDOCINO**  
Pooled Treasury

Statement of Net Assets  
June 30, 2001

Assets:	
Pooled cash and investments	\$ 82,378,273
Liabilities	_____ --
Net Assets:	
Equity of Internal Pool participants	23,652,643
Equity of External Pool participants	<u>58,725,630</u>
Total Net Assets	<u>\$ 82,378,273</u>

Statement of Changes in Net Assets  
For the Year Ended June 30, 2001

Investment income for the year	\$ 5,773,253
Investment costs	(222,524)
Net investment withdrawals by pool participants	<u>(4,555,831)</u>
Net increase for the year	994,898
Net assets, July 1, 2000	<u>81,383,375</u>
Net assets, June 30, 2001	<u>\$ 82,378,273</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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 99.7 percent of cost) so that no adjustment has been reported on these financial statements. Fair value has been determined and is based on current market prices received from the securities custodian, broker bids, and LAIF, except for instruments which are carried at amortized cost plus accrued interest. The fair value of the participants' position in the pool is the same as the value of the pool shares.

Equity in pooled cash and investments for the County of Mendocino included the following at June 30, 2001:

	<u>Maturity Dates</u>	Stated <u>Interest Rates</u>	<u>Category 1</u>	Carrying <u>Amount</u>	<u>Fair Value</u>	<u>Par Value</u>
Medium-Term Notes	7/2/01-4/5/04	5.1 – 7.05%	\$ 34,921,738	\$ 34,921,738	\$ 34,960,940	\$ 35,000,000
Negotiable Certificates of Deposit	1/30/02	6.08%	10,000,973	10,000,973	9,998,500	10,000,000
Federal Agency Obligations	12/12/01-9/15/17	4.33 – 10.0%	4,230,287	4,230,287	4,262,828	4,233,212
Commercial Paper	7/2/01	3.75%	<u>1,999,375</u>	<u>1,999,375</u>	<u>1,990,330</u>	<u>2,000,000</u>
			<u>\$ 51,152,373</u>	51,152,373	51,212,598	51,233,212
Investment in State Treasurer's Investment Pool				30,000,000	30,067,125	30,000,000
Mutual Fund				8,000,000	7,573,869	7,573,869
Purchased Interest				85,486	85,486	85,486
Cash in Bank				3,474,245	3,474,245	3,474,245
Unidentified Overage				(3,509)	(3,509)	(3,509)
Cash on Hand				<u>1,106,675</u>	<u>1,106,675</u>	<u>1,106,675</u>
Total Cash and Investments				<u>\$ 93,815,270</u>	<u>\$ 93,516,489</u>	<u>\$ 93,469,978</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

Note 3: **Property, Plant and Equipment**

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

	<u>Balance</u> <u>June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
Land	\$ 1,095,275	\$ 884,044	\$ --	\$ 1,979,319
Structures and Improve- ments	38,594,003	6,434,226	--	45,028,229
Equipment	16,754,619	1,327,762	--	18,082,381
Construction in Progress	<u>651,991</u>	<u>2,997,032</u>	<u>--</u>	<u>3,649,023</u>
Totals	<u>\$ 57,095,888</u>	<u>\$11,643,064</u>	<u>\$ --</u>	<u>\$ 68,738,952</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</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Vehicles	<u>\$ 3,666,702</u>	<u>\$ 2,051,408</u>	<u>\$ 1,615,294</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:

	<u>Balance</u> <u>June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
Capital leases	\$ 785,949	\$ 102,403	\$ 178,038	\$ 710,314
Bonds payable	45,390,000	21,320,000	6,935,000	59,775,000
Compensated absences	2,805,909	392,829	--	3,198,738
Landfill closure/post- closure care costs	<u>2,560,577</u>	<u>2,909,105</u>	<u>--</u>	<u>5,469,682</u>
Totals	<u>\$ 51,542,435</u>	<u>\$ 24,724,337</u>	<u>\$ 7,113,038</u>	<u>\$ 69,153,734</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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 \$1,231,759. The minimum future lease commitments on these leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Payments</u>
2002	\$ 232,873
2003	206,579
2004	186,683
2005	140,107
2006	21,570
Thereafter	<u>30,167</u>
Total Minimum Lease Payments	817,979
Less Amount Representing Interest	<u>(107,665)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 710,314</u>

**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.

\$ 8,305,000

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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 <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 310,000	\$ 484,695	\$ 794,695
2003	330,000	467,250	797,250
2004	345,000	448,687	793,687
2005	200,000	433,200	633,200
2006	210,000	420,900	630,900
Thereafter	<u>6,910,000</u>	<u>4,368,900</u>	<u>11,278,900</u>
Totals	<u>\$ 8,305,000</u>	<u>\$ 6,623,632</u>	<u>\$ 14,928,632</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, 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, 2001

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>4,770,000.00</u>	<u>166,234.50</u>	<u>4,936,234.50</u>
Totals	<u>\$ 27,375,000.00</u>	<u>\$ 10,103,436.00</u>	<u>\$ 37,478,436.00</u>

**D. Refunding Certificates of Participation – Series 1998**

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, 2001

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

**D. Refunding Certificates of Participation – Series 1998** (continued)

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Payments</u>
8/15/2001	300,000.00	4.000%	36,272.50	336,272.50
2/15/2002			30,272.50	30,272.50
8/15/2002	50,000.00	4.050%	30,272.50	80,272.50
2/15/2003			29,260.00	29,260.00
8/15/2003	275,000.00	4.100%	29,260.00	304,260.00
2/15/2004			23,622.50	23,622.50
8/15/2004	150,000.00	4.150%	23,622.50	173,622.50
2/15/2005			20,510.00	20,510.00
8/15/2005	475,000.00	4.200%	20,510.00	495,510.00
2/15/2006			10,535.00	10,535.00
8/15/2006	<u>490,000.00</u>	<u>4.300%</u>	<u>10,535.00</u>	<u>500,535.00</u>
Total	<u>\$ 1,740,000.00</u>		<u>\$ 264,672.50</u>	<u>\$ 2,004,672.50</u>

**E. Series 2000 Certificates of Participation**

On July 1, 2000, the County issued \$22,480,000 of Certificates of Participation with interest rates that vary between 4.0% and 5.25%. Part of the Certificates were to refund a portion of the remaining balance of the \$8.6 million COP issuance and a portion was to be used for construction of County facilities. The Certificates mature on June 1, 2030.

The following represents the sources and uses of funds of the Certificate issuance:

**Sources of Funds**

Principal amount of certificates	\$ 22,480,000
Less: Net original issue discount	(550,837)
Underwriter's discount	<u>(352,936)</u>
Total Sources of Funds	<u>\$ 21,576,227</u>

**Uses of Funds**

Deposit to Project Fund	\$ 13,161,170
Deposit to Debt Service Reserve Fund	1,957,849
Deposit to Capitalized Interest Account	1,426,951
Tender of 1998 Certificates	4,388,375
Costs of execution and delivery	<u>641,882</u>
Total Uses of Funds	<u>\$ 21,576,227</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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

E. **Series 2000 Certificates of Participation** (continued)

The following represents the annual debt service requirements of the Certificates:

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Payments</u>
12/01/2001	\$ --		\$ 566,390.00	\$ 566,390.00
6/01/2002	695,000.00	4.00%	566,390.00	1,261,390.00
12/01/2002	--		552,490.00	552,490.00
6/01/2003	95,000.00	4.10%	552,490.00	647,490.00
12/01/2003	--		550,542.50	550,542.50
6/01/2004	75,000.00	4.10%	550,542.50	625,542.50
12/01/2004	--		549,005.00	549,005.00
6/01/2005	180,000.00	4.20%	549,005.00	729,005.00
12/01/2005	--		545,225.00	545,225.00
6/01/2006	160,000.00	4.30%	545,225.00	705,225.00
12/01/2006	--		541,785.00	541,485.00
6/01/2007	720,000.00	4.35%	541,785.00	1,261,785.00
12/01/2007	--		526,125.00	526,125.00
6/01/2008	370,000.00	4.40%	526,125.00	896,125.00
12/01/2008	--		517,985.00	517,985.00
6/01/2009	385,000.00	4.50%	517,985.00	902,985.00
12/1/2009	--		509,322.50	509,322.50
6/01/2010	445,000.00	4.60%	509,322.50	954,322.50
12/01/2010	--		499,087.50	499,087.50
6/01/2011	420,000.00	4.65%	499,087.50	919,087.50
12/01/2011	--		489,322.50	489,322.50
6/01/2012	445,000.00	4.70%	489,322.50	934,322.50
12/01/2012	--		478,885.00	478,865.00
6/01/2013	465,000.00	4.80%	478,885.00	943,865.00
12/01/2013	--		467,705.00	467,705.00
6/01/2014	490,000.00	4.90%	467,705.00	957,705.00
12/01/2014	--		455,700.00	455,700.00
6/01/2015	515,000.00	5.00%	455,700.00	970,700.00
12/01/2015	--		442,825.00	442,825.00
6/01/2016	535,000.00	5.00%	442,825.00	977,825.00

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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

E. **Series 2000 Certificates of Participation**

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Payments</u>
12/01/2016	--		429,450.00	429,450.00
6/01/2017	570,000.00	5.25%	429,450.00	999,450.00
12/01/2017	--		414,487.50	414,487.50
6/01/2018	595,000.00	5.25%	414,487.50	1,009,487.50
12/01/2018	--		398,868.75	398,868.75
6/01/2019	630,000.00	5.25%	398,868.75	1,028,868.75
12/01/2019	--		382,331.25	382,331.25
6/01/2020	665,000.00	5.25%	382,331.25	1,047,331.25
12/01/2020	--		364,875.00	364,875.00
6/01/2021	700,000.00	5.25%	364,875.00	1,064,875.00
12/01/2021	--		346,500.00	346,500.00
6/01/2022	740,000.00	5.25%	346,500.00	1,086,500.00
12/01/2022	--		327,075.00	327,075.00
6/01/2023	775,000.00	5.25%	327,075.00	1,102,075.00
12/01/2023	--		306,731.25	306,731.25
6/01/2024	1,605,000.00	5.25%	306,731.25	1,911,731.25
12/01/2024	--		264,600.00	264,600.00
6/01/2025	1,475,000.00	5.25%	264,600.00	1,739,600.00
12/01/2025	--		225,881.25	225,881.25
6/01/2026	1,550,000.00	5.25%	225,881.25	1,775,881.25
12/01/2026	--		185,193.75	185,193.75
6/01/2027	1,630,000.00	5.25%	185,193.75	1,815,193.75
12/01/2027	--		142,406.25	142,406.25
6/01/2028	1,715,000.00	5.25%	142,406.25	1,857,406.25
12/01/2028	--		97,367.50	97,367.50
6/01/2029	1,805,000.00	5.25%	97,367.50	1,902,367.50
12/01/2029	--		50,006.25	50,006.25
6/01/2030	<u>1,905,000.00</u>	<u>5.25%</u>	<u>50,006.25</u>	<u>1,955,006.25</u>
<b>Total</b>	<b><u>\$ 22,355,000.00</u></b>		<b><u>\$ 23,256,337.50</u></b>	<b><u>\$ 45,611,337.50</u></b>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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

F. **Compensated Absences** (continued)

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 \$3,198,738.

G. **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 \$5,469,682 reported as landfill closure/postclosure liability at June 30, 2001 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 \$3,032,545 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2001. 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, 2001</u>
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	Closed	\$ 5,549,100	\$ 1,940,893
South Coast Landfill	Mendocino County	N/A	2015	2,315,583	2,315,583
Laytonville Landfill	Mendocino County	100%	Closed	637,544	1,213,206
				<u>\$ 8,502,227</u>	<u>\$ 5,469,682</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

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

**G. Municipal Solid Waste Landfill Closure and Postclosure Care Costs** (continued)

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, 2001, investments of \$1,232,680 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. The County expects that future inflation costs will be paid from interest earnings on 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.

Note 5: **Interfund Transactions**

**A. 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	\$ --	\$ 6,741
Alexander Estates	6,741	--
Redevelopment Agency	50,071	--
Health Insurance	1,341,516	--
Debt Service	--	50,071
Children & Families Commission	--	<u>1,341,516</u>
	<u>\$ 1,398,328</u>	<u>\$ 1,398,328</u>

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

Note 5: **Interfund Transactions** (continued)

**B. Operating Transfers**

The following is a schedule of operating transfers made during the fiscal year ended June 30, 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 187,484	\$ 4,944,887
Special Revenue	4,015,462	118,246
Capital Projects	50,000	--
Debt Service	851,481	--
Internal Service	115,000	156,294
	<u>\$ 5,219,427</u>	<u>\$ 5,219,427</u>

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, 2001 were \$3,690,694 and contributions by the employees of the County and the special districts were \$3,093,154.

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.

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

Note 6: **Retirement Plan** (continued)

Annual Pension Cost (continued)

The Association was audited by V. James Sligh. The last audit performed was for the year ended June 30, 2000. An audit is in progress for the fiscal year ending June 30, 2001. The following summarized financial information is presented for the year ended June 30, 2000 (a complete financial statement of the Association is available at the Auditor-Controller's Office of the County of Mendocino).

Balance Sheet

Current Assets	\$ 30,011,001
Bond and Equities	<u>135,288,328</u>
Total Assets	<u>\$ 165,299,329</u>
Accounts Payable	<u>\$ 930,977</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 164,368,352</u>

Statement of Operations

Revenues	
Member contributions	\$ 3,093,154
County contributions	3,690,694
Investment income – net of expenses of \$698,419	16,751,531
Other income	<u>123,527</u>
Total Revenues	<u>23,658,906</u>
Expenses	
Benefit payments	7,784,532
Refunds of contributions	662,161
Administrative and professional expenses	112,483
Insurance benefits	<u>1,614,191</u>
Total Expenditures	<u>10,173,367</u>
Net Operating Income (Loss)	13,485,539
Fund Balance – Beginning of Year	<u>150,882,813</u>
Fund Balance – End of Year	<u>\$ 164,368,352</u>

## COUNTY OF MENDOCINO

Notes to Financial Statements  
June 30, 2001

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. Health benefits paid on behalf of retirees was \$1,614,194 for the year ended June 30, 2000.

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.

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**

On July 5, 2000, the County issued a \$19,255,000 tax and revenue anticipation note. The funds were budgeted for operations. The note was due and payable June 29, 2001 and carried a 5.25% interest rate. The note was paid in June 2001 on the due date and included accrued interest.



## COUNTY OF MENDOCINO

Notes to Financial Statements  
June 30, 2001

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, 2001, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

Note 11: **Subsequent Event**

On July 3, 2001, the County issued a \$20,920,000 tax and revenue anticipation note. The funds were budgeted for operations. The note is due and payable on June 28, 2002 and carries an interest rate of 5.1%.

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:

## COUNTY OF MENDOCINO

Notes to Financial Statements  
June 30, 2001

Note 12: **Risk Management** (continued)

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, 2001, 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 \$312,292 includes incurred but not reported claims.

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.

**COUNTY OF MENDOCINO**

Notes to Financial Statements  
June 30, 2001

Note 13: **Excess Expenditures Over Budget**

The following funds had excess expenditures over budget:

	<u>Budget</u>	<u>Expenditure</u>	<u>Variance</u>
Air Quality Management	\$ 867,976	\$ 892,564	\$ 24,588
Accumulated Capital Outlay	913,061	914,769	1,708

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	\$ 2,146,932
Alexander Estates	7,489
Redevelopment Agency	50,071

## **COMBINING STATEMENTS**

## **Special Revenue Funds**

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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.

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**COUNTY OF MENDOCINO  
COUNTY SPECIAL REVENUE FUNDS**

Combining Balance Sheet  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	Children and Families First	Road	Accumulative Capital Outlay	Library
<u>Assets</u>				
Cash and investments	\$ 1,217,743	\$ 1,127,484	\$ 93,586	\$ 250,485
Imprest cash	-	50	-	216
Due from other funds	1,341,516	-	-	-
Due from other governmental agencies	347,041	765,013	-	-
Accounts receivable	-	-	-	9,487
Inventory of supplies, at cost	-	613,189	-	-
Total Assets	<u>\$ 2,906,300</u>	<u>\$ 2,505,736</u>	<u>\$ 93,586</u>	<u>\$ 260,188</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 260,766	\$ 370,902	\$ 76,205	\$ 8,624
Due to other funds	-	-	-	-
Accrued salaries and benefits	4,037	85,388	-	14,659
Total Liabilities	<u>264,803</u>	<u>456,290</u>	<u>76,205</u>	<u>23,283</u>
 Equities:				
Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	3,291
Inventory	-	613,189	-	-
Imprest cash	-	50	-	216
Designations for:				
General	-	133,000	-	-
Available	2,641,497	1,303,207	17,381	233,398
Total Equities	<u>2,641,497</u>	<u>2,049,446</u>	<u>17,381</u>	<u>236,905</u>
Total Liabilities and Equities	<u>\$ 2,906,300</u>	<u>\$ 2,505,736</u>	<u>\$ 93,586</u>	<u>\$ 260,188</u>

continued

**COUNTY OF MENDOCINO  
COUNTY SPECIAL REVENUE FUNDS**

Combining Balance Sheet (continued)  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	Fish and Game	Special Aviation	Supplemental Law Enforcement	COPS AB 1913
<u>Assets</u>				
Cash and investments	\$ 151,224	\$ 191,964	\$ 33,330	\$ 326,762
Imprest cash	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental agencies	-	-	-	-
Accounts receivable	-	7,000	-	-
Inventory of supplies, at cost	-	-	-	-
Total Assets	\$ 151,224	\$ 198,964	\$ 33,330	\$ 326,762
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 12,123
Due to other funds	-	-	-	-
Accrued salaries and benefits	-	-	1,398	-
Total Liabilities	-	-	1,398	12,123
Equities:				
Fund Balances:				
Reserved for:				
Encumbrances	-	88,282	-	-
Inventory	-	-	-	-
Imprest cash	-	-	-	-
Designations for:				
General	-	1,686	-	-
Available	151,224	108,996	31,932	314,639
Total Equities	151,224	198,964	31,932	314,639
Total Liabilities and Equities	\$ 151,224	\$ 198,964	\$ 33,330	\$ 326,762

continued

**COUNTY OF MENDOCINO  
COUNTY SPECIAL REVENUE FUNDS**

Combining Balance Sheet (continued)  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	<u>Special Districts Lighting</u>	<u>Special Districts Other</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Assets</u>				
Cash and investments	\$ 92,728	\$ 568,164	\$ 4,053,470	\$ 4,490,663
Imprest cash	-	100	366	366
Due from other funds	-	-	1,341,516	-
Due from other governmental agencies	-	-	1,112,054	972,837
Accounts receivable	1,127	41,408	59,022	4,441
Inventory of supplies, at cost	-	-	613,189	569,050
Total Assets	<u>\$ 93,855</u>	<u>\$ 609,672</u>	<u>\$ 7,179,617</u>	<u>\$ 6,037,357</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 3,117	\$ 10,210	\$ 741,947	\$ 797,271
Due to other funds	6,741	-	6,741	4,500
Accrued salaries and benefits	-	8,633	114,115	106,045
Total Liabilities	<u>9,858</u>	<u>18,843</u>	<u>862,803</u>	<u>907,816</u>
 Equities:				
Fund Balances:				
Reserved for:				
Encumbrances	-	-	91,573	48,166
Inventory	-	-	613,189	569,050
Imprest cash	-	100	366	366
Designations for:				
General	-	-	134,686	642,030
Available	<u>83,997</u>	<u>590,729</u>	<u>5,477,000</u>	<u>3,869,929</u>
Total Equities	<u>83,997</u>	<u>590,829</u>	<u>6,316,814</u>	<u>5,129,541</u>
Total Liabilities and Equities	<u>\$ 93,855</u>	<u>\$ 609,672</u>	<u>\$ 7,179,617</u>	<u>\$ 6,037,357</u>



**COUNTY OF MENDOCINO  
COUNTY SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Equity  
For the Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Children and Families First	Road	Accumulative Capital Outlay	Library
Revenues:				
Taxes	\$ -	\$ 132,638	\$ -	\$ -
Licenses, permits and franchises	-	51,957	-	-
Fines, forfeitures and penalties	-	61,571	83,974	-
Revenue from use of money and property	119,939	72,100	11,799	22,552
Aid from other governmental agencies	1,336,131	7,653,163	-	269,758
Charges for services	-	64,389	11,096	30,099
Other revenue	-	688,179	2,050	78,466
Total Revenues	1,456,070	8,723,997	108,919	400,875
Expenditures:				
General government	-	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	11,206,003	-	-
Health and sanitation	460,207	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	1,031,858
Capital outlay	-	-	914,769	-
Total Expenditures	460,207	11,206,003	914,769	1,031,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	995,863	(2,482,006)	(805,850)	(630,983)
Other Financing Sources (Uses):				
Operating transfers in	-	2,593,496	632,574	768,392
Operating transfers out	-	(30,360)	-	-
Total Other Financing Sources (Uses)	-	2,563,136	632,574	768,392
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	995,863	81,130	(173,276)	137,409
Total Equity at Beginning of Year	1,645,634	1,968,316	190,657	99,496
Total Equity at End of Year	\$ 2,641,497	\$ 2,049,446	\$ 17,381	\$ 236,905

continued

**COUNTY OF MENDOCINO  
COUNTY SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Equity (continued)  
For the Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Fish and Game	Special Aviation	Supplemental Law Enforcement	COPS AB 1913
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and franchises	-	-	-	-
Fines, forfeitures and penalties	19,867	-	-	-
Revenue from use of money and property	10,425	-	7,104	17,425
Aid from other governmental agencies	-	7,000	163,343	309,337
Charges for services	-	-	-	-
Other revenue	-	39,615	-	-
Total Revenues	<u>30,292</u>	<u>46,615</u>	<u>170,447</u>	<u>326,762</u>
Expenditures:				
General government	-	-	-	-
Public protection	42,098	-	132,923	12,123
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>42,098</u>	<u>-</u>	<u>132,923</u>	<u>12,123</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,806)</u>	<u>46,615</u>	<u>37,524</u>	<u>314,639</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(17,886)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(17,886)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(11,806)</u>	<u>46,615</u>	<u>19,638</u>	<u>314,639</u>
Total Equity at Beginning of Year	<u>163,030</u>	<u>152,349</u>	<u>12,294</u>	<u>-</u>
Total Equity at End of Year	<u><u>\$ 151,224</u></u>	<u><u>\$ 198,964</u></u>	<u><u>\$ 31,932</u></u>	<u><u>\$ 314,639</u></u>

continued

**COUNTY OF MENDOCINO  
COUNTY SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Equity (continued)  
For the Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Special Districts Lighting	Special Districts Other	Totals	
			2001	2000
Revenues:				
Taxes	\$ 41,946	\$ 102,767	\$ 277,351	\$ 341,726
Licenses, permits and franchises	-	636,144	688,101	338,596
Fines, forfeitures and penalties	-	-	165,412	421,501
Revenue from use of money and property	4	-	261,348	132,812
Aid from other governmental agencies	1,091	-	9,739,823	12,351,835
Charges for services	-	-	105,584	112,376
Other revenue	-	-	808,310	187,709
Total Revenues	<u>43,041</u>	<u>738,911</u>	<u>12,045,929</u>	<u>13,886,555</u>
Expenditures:				
General government	-	-	-	1,213,253
Public protection	-	98,000	285,144	295,973
Public ways and facilities	35,313	-	11,241,316	12,771,197
Health and sanitation	-	822,578	1,282,785	565,530
Public assistance	-	-	-	-
Education	-	-	1,031,858	1,017,502
Capital outlay	-	-	914,769	-
Total Expenditures	<u>35,313</u>	<u>920,578</u>	<u>14,755,872</u>	<u>15,863,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,728</u>	<u>(181,667)</u>	<u>(2,709,943)</u>	<u>(1,976,900)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	21,000	4,015,462	3,968,134
Operating transfers out	-	(70,000)	(118,246)	(97,684)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(49,000)</u>	<u>3,897,216</u>	<u>3,870,450</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>7,728</u>	<u>(230,667)</u>	<u>1,187,273</u>	<u>1,893,550</u>
Total Equity at Beginning of Year	<u>76,269</u>	<u>821,496</u>	<u>5,129,541</u>	<u>3,235,991</u>
Total Equity at End of Year	<u>\$ 83,997</u>	<u>\$ 590,829</u>	<u>\$ 6,316,814</u>	<u>\$ 5,129,541</u>

**COUNTY OF MENDOCINO**

Combining Balance Sheet  
 All Special Districts Governed by the Board of Supervisors - Lighting  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	<u>Alexander Estates</u>	<u>Covelo</u>	<u>Fairview Acres</u>	<u>Hopland</u>
<u>Assets</u>				
Cash and investments	\$ -	\$ 6,214	\$ 3,366	\$ 22,952
Due from other funds	-	-	-	-
Accounts receivable	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 6,214</u>	<u>\$ 3,366</u>	<u>\$ 22,952</u>
<u>Liabilities and Equities</u>				
Liabilities:				
Accounts payable	\$ 748	\$ 466	\$ 74	\$ 450
Due to other funds	6,741	-	-	-
Total Liabilities	<u>7,489</u>	<u>466</u>	<u>74</u>	<u>450</u>
Equities:				
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Other reserves	-	-	-	-
Designations for:				
General	-	-	-	-
Undesignated	(7,489)	5,748	3,292	22,502
Total Equities	<u>(7,489)</u>	<u>5,748</u>	<u>3,292</u>	<u>22,502</u>
Total Liabilities and Equities	<u>\$ -</u>	<u>\$ 6,214</u>	<u>\$ 3,366</u>	<u>\$ 22,952</u>

continued

**COUNTY OF MENDOCINO**

Combining Balance Sheet  
 All Special Districts Governed by the Board of Supervisors - Lighting (continued)  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	<u>Laytonville</u>	<u>Noyo</u>	<u>Oak Knoll</u>	<u>Riverwood Terrace</u>
<u>Assets</u>				
Cash and investments	\$ 5,580	\$ 2,162	\$ 24,925	\$ 5,046
Due from other funds	-	-	-	-
Accounts receivable	-	1,127	-	-
Total Assets	<u>\$ 5,580</u>	<u>\$ 3,289</u>	<u>\$ 24,925</u>	<u>\$ 5,046</u>
<u>Liabilities and Equities</u>				
Liabilities:				
Accounts payable	\$ 205	\$ 294	\$ 314	\$ 56
Due to other funds	-	-	-	-
Total Liabilities	<u>205</u>	<u>294</u>	<u>314</u>	<u>56</u>
Equities:				
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Other reserves	-	-	-	-
Designations for:				
General	-	-	-	-
Undesignated	5,375	2,995	24,611	4,990
Total Equities	<u>5,375</u>	<u>2,995</u>	<u>24,611</u>	<u>4,990</u>
Total Liabilities and Equities	<u>\$ 5,580</u>	<u>\$ 3,289</u>	<u>\$ 24,925</u>	<u>\$ 5,046</u>

continued

**COUNTY OF MENDOCINO**

Combining Balance Sheet

All Special Districts Governed by the Board of Supervisors - Lighting (continued)

June 30, 2001

(With Comparative Figures for June 30, 2000)

	<u>Ukiah Village</u>	<u>West Talmage</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Assets</u>				
Cash and investments	\$ 13,560	\$ 8,923	\$ 92,728	\$ 78,872
Due from other funds	-	-	-	-
Accounts receivable	-	-	1,127	1,897
Total Assets	<u>\$ 13,560</u>	<u>\$ 8,923</u>	<u>\$ 93,855</u>	<u>\$ 80,769</u>
<u>Liabilities and Equities</u>				
Liabilities:				
Accounts payable	\$ 367	\$ 143	\$ 3,117	\$ -
Due to other funds	-	-	6,741	4,500
Total Liabilities	<u>367</u>	<u>143</u>	<u>9,858</u>	<u>4,500</u>
Equities:				
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Other reserves	-	-	-	-
Designations for:				
General	-	-	-	-
Undesignated	13,193	8,780	83,997	76,269
Total Equities	<u>13,193</u>	<u>8,780</u>	<u>83,997</u>	<u>76,269</u>
Total Liabilities and Equities	<u>\$ 13,560</u>	<u>\$ 8,923</u>	<u>\$ 93,855</u>	<u>\$ 80,769</u>

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Equity  
All Special Districts Governed by the Board of Supervisors - Lighting  
For the Year Ended June 30, 2001

	<u>Alexander</u> <u>Estates</u>	<u>Covelo</u>	<u>Fairview</u> <u>Acres</u>	<u>Hopland</u>
Revenues:				
Taxes	\$ 5,462	\$ 4,986	\$ 1,140	\$ 8,543
Licenses, permits and franchises	-	-	-	-
Revenue from use of money and property	1	1	-	1
Aid from other governmental agencies	165	122	28	195
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>5,628</u>	<u>5,109</u>	<u>1,168</u>	<u>8,739</u>
Expenditures:				
Public protection	-	-	-	-
Public ways and facilities	8,675	5,291	839	5,228
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Total Expenditures	<u>8,675</u>	<u>5,291</u>	<u>839</u>	<u>5,228</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>(3,047)</u>	<u>(182)</u>	<u>329</u>	<u>3,511</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Sale of fixed assets	-	-	-	-
Proceeds of debt issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Sources Over (Under) Other Uses	(3,047)	(182)	329	3,511
Total Equity at Beginning of Year	(4,442)	5,930	2,963	18,991
Prior Period Adjustment	-	-	-	-
Residual Equity Transfer In (Out)	-	-	-	-
Total Equity at End of Year	<u>\$ (7,489)</u>	<u>\$ 5,748</u>	<u>\$ 3,292</u>	<u>\$ 22,502</u>

continued

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Equity (continued)  
All Special Districts Governed by the Board of Supervisors - Lighting  
For the Year Ended June 30, 2001

	<u>Laytonville</u>	<u>Noyo</u>	<u>Oak Knoll</u>	<u>Riverwood Terrance</u>
Revenues:				
Taxes	\$ 2,691	\$ 4,923	\$ 5,538	\$ 1,336
Licenses, permits and franchises	-	-	-	-
Revenue from use of money and property	-	1	-	-
Aid from other governmental agencies	63	175	135	30
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>2,754</u>	<u>5,099</u>	<u>5,673</u>	<u>1,366</u>
Expenditures:				
Public protection	-	-	-	-
Public ways and facilities	2,303	3,074	3,565	636
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Total Expenditures	<u>2,303</u>	<u>3,074</u>	<u>3,565</u>	<u>636</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>451</u>	<u>2,025</u>	<u>2,108</u>	<u>730</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Sale of fixed assets	-	-	-	-
Proceeds of debt issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Sources Over (Under) Other Uses	451	2,025	2,108	730
Total Equity at Beginning of Year	4,924	970	22,503	4,260
Prior Period Adjustment	-	-	-	-
Residual Equity Transfer In (Out)	-	-	-	-
Total Equity at End of Year	<u>\$ 5,375</u>	<u>\$ 2,995</u>	<u>\$24,611</u>	<u>\$ 4,990</u>

continued



**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Equity (continued)  
All Special Districts Governed by the Board of Supervisors - Lighting  
For the Year Ended June 30, 2001

	Ukiah Village	West Talmage	Totals	
			2001	2000
Revenues:				
Taxes	\$ 5,131	\$ 2,196	\$ 41,946	\$ 39,228
Licenses, permits and franchises	-	-	-	-
Revenue from use of money and property	-	-	4	-
Aid from other governmental agencies	124	54	1,091	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	<u>5,255</u>	<u>2,250</u>	<u>43,041</u>	<u>39,228</u>
Expenditures:				
Public protection	-	-	-	-
Public ways and facilities	4,218	1,484	35,313	32,541
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Total Expenditures	<u>4,218</u>	<u>1,484</u>	<u>35,313</u>	<u>32,541</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>1,037</u>	<u>766</u>	<u>7,728</u>	<u>6,687</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Sale of fixed assets	-	-	-	-
Proceeds of debt issuance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Sources Over (Under) Other Uses	1,037	766	7,728	6,687
Total Equity at Beginning of Year	12,156	8,014	76,269	69,582
Prior Period Adjustment	-	-	-	-
Residual Equity Transfer In (Out)	-	-	-	-
Total Equity at End of Year	<u>\$ 13,193</u>	<u>\$ 8,780</u>	<u>\$ 83,997</u>	<u>\$ 76,269</u>

**COUNTY OF MENDOCINO**

Combining Balance Sheet  
 All Special Districts Governed by the Board of Supervisors - Other  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	Meadowbrook Manor Station	Mendocino County Water Agency
	<u>                    </u>	<u>                    </u>
<u>Assets</u>		
Cash and investments in County Treasury	\$ 14,380	\$ 82,442
Imprest cash	-	-
Accounts receivable	-	10,924
Total Assets	<u>\$ 14,380</u>	<u>\$ 93,366</u>
 <u>Liabilities and Equities</u>		
Liabilities:		
Vouchers and accounts payable	\$ -	\$ -
Accrued salaries and benefits	-	1,756
Total Liabilities	<u>-</u>	<u>1,756</u>
 Equities:		
Fund Balances:		
Reserved:		
Encumbrances	-	-
Other reserves	-	-
Designations for:		
General	-	-
Available	14,380	91,610
Total Equities	<u>14,380</u>	<u>91,610</u>
 Total Liabilities and Equities	 <u>\$ 14,380</u>	 <u>\$ 93,366</u>

continued

**COUNTY OF MENDOCINO**

Combining Balance Sheet (continued)  
 All Special Districts Governed by the Board of Supervisors - Other  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

	Air Quality Management	Totals	
		<u>2001</u>	<u>2000</u>
<u>Assets</u>			
Cash and investments	\$ 471,342	\$ 568,164	\$ 834,763
Imprest cash	100	100	100
Accounts receivable	30,484	41,408	477
Total Assets	<u>\$ 501,926</u>	<u>\$ 609,672</u>	<u>\$ 835,340</u>
<u>Liabilities and Equities</u>			
Liabilities:			
Vouchers and accounts payable	\$ 10,210	\$ 10,210	\$ 5,648
Accrued salaries and benefits	6,877	8,633	8,196
Total Liabilities	<u>17,087</u>	<u>18,843</u>	<u>13,844</u>
Equities:			
Fund Balances:			
Reserved:			
Encumbrances	-	-	-
Other reserves	100	100	100
Designations for:			
General	-	-	314,075
Available	484,739	590,729	507,321
Total Equities	<u>484,839</u>	<u>590,829</u>	<u>821,496</u>
Total Liabilities and Equities	<u>\$ 501,926</u>	<u>\$ 609,672</u>	<u>\$ 835,340</u>

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Equity  
All Special Districts Governed by the Board of Supervisors - Other  
For the Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Meadowbrook Manor Station	Mendocino County Water Agency
Revenues:		
Taxes	\$ 1,092	\$ 101,675
Licenses, permits and franchises	-	-
Revenue from use of money and property	-	-
Aid from other governmental agencies	-	-
Charges for services	-	-
Other revenue	-	-
Total Revenues	<u>1,092</u>	<u>101,675</u>
Expenditures:		
Public protection	-	98,000
Public ways and facilities	-	-
Health and sanitation	14	-
Public assistance	-	-
Total Expenditures	<u>14</u>	<u>98,000</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>1,078</u>	<u>3,675</u>
Other Financing Sources (Uses):		
Operating transfers in	-	20,000
Operating transfers out	-	-
Sale of fixed assets	-	-
Proceeds of debt issuance	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues Sources Over (Under) Other Uses	1,078	23,675
Total Equity at Beginning of Year	13,302	67,935
Prior Period Adjustment	-	-
Residual Equity Transfer In (Out)	-	-
Total Equity at End of Year	<u>\$ 14,380</u>	<u>\$ 91,610</u>

continued

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Equity (continued)  
All Special Districts Governed by the Board of Supervisors - Other  
For the Year Ended June 30, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Air Quality Management	Totals	
		<u>2001</u>	<u>2000</u>
Revenues:			
Taxes	\$ -	\$ 102,767	\$ 73,142
Licenses, permits and franchises	636,144	636,144	144,163
Revenue from use of money and property	-	-	44,047
Aid from other governmental agencies	-	-	373,347
Charges for services	-	-	29,633
Other revenue	-	-	405
Total Revenues	<u>636,144</u>	<u>738,911</u>	<u>664,737</u>
Expenditures:			
Public protection	-	98,000	97,622
Public ways and facilities	-	-	-
Health and sanitation	822,564	822,578	527,345
Public assistance	-	-	-
Total Expenditures	<u>822,564</u>	<u>920,578</u>	<u>624,967</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>(186,420)</u>	<u>(181,667)</u>	<u>39,770</u>
Other Financing Sources (Uses):			
Operating transfers in	1,000	21,000	80,000
Operating transfers out	(70,000)	(70,000)	(63,500)
Sale of fixed assets	-	-	-
Proceeds of debt issuance	-	-	-
Total Other Financing Sources (Uses)	<u>(69,000)</u>	<u>(49,000)</u>	<u>16,500</u>
Excess (Deficiency) of Revenues Sources Over (Under) Other Uses	<u>(255,420)</u>	<u>(230,667)</u>	<u>86,000</u>
Total Equity at Beginning of Year	740,259	821,496	735,496
Prior Period Adjustment	-	-	-
Residual Equity Transfer In (Out)	-	-	-
Total Equity at End of Year	<u>\$ 484,839</u>	<u>\$ 590,829</u>	<u>\$ 821,496</u>

## **Debt Service Funds**

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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.

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**COUNTY OF MENDOCINO**

Combining Balance Sheet  
 All Debt Service Funds  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

<u>Assets</u>	<u>Debt Service</u>	<u>Pension Obligation Bonds</u>
Cash and investments in County Treasury	\$ 173,309	\$ 40,368
Held with trustee	5,287,408	2,522,914
Accounts receivable	-	84,297
Due from other funds	50,071	-
Total Assets	<u>\$ 5,510,788</u>	<u>\$ 2,647,579</u>
 <u>Liabilities and Equities</u>		
Liabilities:		
Vouchers and accounts payable	\$ 3,277	\$ 1,600
Due to other funds	-	-
Matured principal and interest payable	146,987	66,036
Total Liabilities	<u>150,264</u>	<u>67,636</u>
 Equities:		
Fund Balances:		
Reserved for debt service	<u>5,360,524</u>	<u>2,579,943</u>
Total Equities	<u>5,360,524</u>	<u>2,579,943</u>
 Total Liabilities and Equities	 <u>\$ 5,510,788</u>	 <u>\$ 2,647,579</u>

continued

**COUNTY OF MENDOCINO**

Combining Balance Sheet (continued)  
 All Debt Service Funds  
 June 30, 2001  
 (With Comparative Figures for June 30, 2000)

<u>Assets</u>	Redevelopment	Totals	
	<u>Agency</u>	<u>2001</u>	<u>2000</u>
Cash and investments in County Treasury	\$ -	\$ 213,677	\$ 1,170,646
Held with trustee	-	7,810,322	4,753,697
Accounts receivable	-	84,297	69,145
Due from other funds	-	50,071	-
Total Assets	<u>\$ -</u>	<u>\$ 8,158,367</u>	<u>\$ 5,993,488</u>
 <u>Liabilities and Equities</u>			
Liabilities:			
Vouchers and accounts payable	\$ -	\$ 4,877	\$ 5,889
Due to other funds	50,071	50,071	-
Matured principal and interest payable	-	213,023	149,386
Total Liabilities	<u>50,071</u>	<u>267,971</u>	<u>155,275</u>
 Equities:			
Fund Balances:			
Reserved for debt service	(50,071)	7,890,396	5,838,213
Total Equities	<u>(50,071)</u>	<u>7,890,396</u>	<u>5,838,213</u>
 Total Liabilities and Equities	 <u>\$ -</u>	 <u>\$ 8,158,367</u>	 <u>\$ 5,993,488</u>



**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures and Changes in Fund Equity  
 All Debt Service Funds  
 For the Year Ended June 30, 2001  
 (With Comparative Figures for the Year Ended June 30, 2000)

	Debt Service	Pension Obligation Bonds
Revenues:		
Use of money and property	\$ 170,605	\$ --
Charges for services	--	3,575,798
Other	9,435,192	--
Total Revenues	9,605,797	3,575,798
Expenditures:		
General government	296,244	1,004,315
Debt service - principal	5,655,000	1,405,000
Debt service - interest and other	1,578,344	2,008,116
Total Expenditures	7,529,588	4,417,431
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,076,209	(841,633)
Other Financing Sources (Uses):		
Operating transfers in	851,481	--
Operating transfers out	--	--
Total Other Financing Sources (Uses)	851,481	--
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	2,927,690	(841,633)
Total Equity at Beginning of Year	2,432,834	3,421,576
Total Equity at End of Year	\$ 5,360,524	\$ 2,579,943

continued

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures and Changes in Fund Equity (continued)  
 All Debt Service Funds  
 For the Year Ended June 30, 2001  
 (With Comparative Figures for the Year Ended June 30, 2000)

	Redevelopment Agency	Totals	
		2001	2000
Revenues:			
Use of money and property	\$ (2,171)	\$ 168,434	\$ 4,514
Charges for services	--	3,575,798	3,438,588
Other	--	9,435,192	(15,978)
	(2,171)	13,179,424	3,427,124
Expenditures:			
General government	31,703	1,332,262	24,146
Debt service - principal	--	7,060,000	424,525
Debt service - interest and other	--	3,586,460	2,130,665
	31,703	11,978,722	2,579,336
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,874)	1,200,702	847,788
Other Financing Sources (Uses):			
Operating transfers in	--	851,481	2,147,038
Operating transfers out	--	--	--
	--	851,481	2,147,038
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(33,874)	2,052,183	2,994,826
Total Equity at Beginning of Year	(16,197)	5,838,213	2,843,387
Total Equity at End of Year	\$ (50,071)	\$ 7,890,396	\$ 5,838,213

## **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.

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**COUNTY OF MENDOCINO**

Combining Balance Sheet  
Internal Service Funds  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
<u>Assets</u>				
Cash	\$ 147,392	\$ 552,613	\$ 222,917	\$ 384,388
Accounts receivable	--	--	--	10,000
Advances receivable	--	--	--	--
Due from other funds	--	--	--	--
Property, plant and equipment, net	--	1,615,294	--	--
	<u>\$ 147,392</u>	<u>\$ 2,167,907</u>	<u>\$ 222,917</u>	<u>\$ 394,388</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ --	\$ 384,379	\$ --	\$ 2,805
Accrued salaries and benefits	--	--	--	1,223
Compensated absences payable	--	--	--	1,321
Due to other funds	--	--	--	--
Liability for unpaid claims	--	--	--	312,292
	<u>--</u>	<u>384,379</u>	<u>--</u>	<u>317,641</u>
Total Liabilities	<u>--</u>	<u>384,379</u>	<u>--</u>	<u>317,641</u>
Fund Equity:				
Retained Earnings:				
Unreserved	<u>147,392</u>	<u>1,783,528</u>	<u>222,917</u>	<u>76,747</u>
Total Liabilities and Fund Equity	<u>\$ 147,392</u>	<u>\$ 2,167,907</u>	<u>\$ 222,917</u>	<u>\$ 394,388</u>

**COUNTY OF MENDOCINO**

Combining Balance Sheet (continued)  
Internal Service Funds  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	<u>Worker's Compensation</u>	<u>Health Insurance</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>Assets</u>				
Cash	\$ 219,750	\$ --	\$ 1,527,060	\$ 1,218,948
Accounts receivable	--	144,855	154,855	218,712
Advances receivable	--	--	--	280,000
Due from other funds	--	--	--	--
Property, plant and equipment, net	--	--	1,615,294	1,428,014
	<u>\$ 219,750</u>	<u>\$ 144,855</u>	<u>\$ 3,297,209</u>	<u>\$ 3,145,674</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ --	\$ 948,456	\$ 1,335,640	\$ 1,044,560
Accrued salaries and benefits	2,170	779	4,172	2,780
Compensated absences payable	1,932	1,036	4,289	4,289
Due to other funds	--	1,341,516	1,341,516	1,440,000
Liability for unpaid claims	--	--	312,292	321,073
	<u>4,102</u>	<u>2,291,787</u>	<u>2,997,909</u>	<u>2,812,702</u>
Fund Equity:				
Retained Earnings:				
Unreserved	<u>215,648</u>	<u>(2,146,932)</u>	<u>299,300</u>	<u>332,972</u>
	<u>\$ 219,750</u>	<u>\$ 144,855</u>	<u>\$ 3,297,209</u>	<u>\$ 3,145,674</u>

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenditures,  
and Changes in Retained Earnings  
Internal Service Funds  
For the Year Ended June 30, 2001  
(With Comparative Figures 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	\$ --	\$ 566,957	\$ 73,000	\$ 597,632
Other	--	50,227	--	9,148
Total Operating Revenues	<u>--</u>	<u>617,184</u>	<u>73,000</u>	<u>606,780</u>
Operating Expenses:				
Salaries and benefits	--	--	--	--
Maintenance and repair	66,887	3,077	--	--
Services and supplies	--	--	--	644,022
Insurance	--	--	84,596	--
Depreciation	--	418,916	--	--
Claims and judgements	--	--	--	(8,781)
Other	--	--	--	--
Total Operating Expenses	<u>66,887</u>	<u>421,993</u>	<u>84,596</u>	<u>635,241</u>
Income (Loss) from Operations	<u>(66,887)</u>	<u>195,191</u>	<u>(11,596)</u>	<u>(28,461)</u>
Non-Operating Revenues (Expenses):				
Interest revenue (expense)	7,689	18,201	14,801	42,636
Gain (loss) on sale of fixed assets	--	(4,321)	--	--
Other	--	44,407	--	--
Total Non-Operating Revenues (Expenses)	<u>7,689</u>	<u>58,287</u>	<u>14,801</u>	<u>42,636</u>
Income (Loss) Before Operating Transfers	<u>(59,198)</u>	<u>253,478</u>	<u>3,205</u>	<u>14,175</u>
Operating Transfers:				
Operating transfers in	115,000	--	--	--
Operating transfers out	--	--	--	--
Net Income (Loss)	55,802	253,478	3,205	14,175
Retained Earnings, Beginning of Fiscal Year	251,194	1,530,050	219,712	62,572
Prior Period Adjustment	<u>(159,604)</u>	--	--	--
Retained Earnings, End of Fiscal Year	<u>\$ 147,392</u>	<u>\$ 1,783,528</u>	<u>\$ 222,917</u>	<u>\$ 76,747</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, 2001  
(With Comparative Figures for the Year Ended June 30, 2000)

	Worker's Compensation	Health Insurance	Totals	
			2001	2000
Operating Revenues:				
Charges and fees	\$ 1,799,316	\$ 6,838,614	\$ 9,875,519	\$ 8,241,719
Other	--	57,106	116,481	479,539
<b>Total Operating Revenues</b>	<b>1,799,316</b>	<b>6,895,720</b>	<b>9,992,000</b>	<b>8,721,258</b>
Operating Expenses:				
Salaries and benefits	59,557	36,002	95,559	135,350
Maintenance and repair	--	--	69,964	106,571
Services and supplies	156,147	1,060,054	1,860,223	1,476,502
Insurance	--	357,152	441,748	363,146
Depreciation	--	--	418,916	335,001
Claims and judgements	1,674,528	5,282,670	6,948,417	6,223,179
Other	1,172	505	1,677	1,312
<b>Total Operating Expenses</b>	<b>1,891,404</b>	<b>6,736,383</b>	<b>9,836,504</b>	<b>8,641,061</b>
Income (Loss) from Operations	(92,088)	159,337	155,496	80,197
Non-Operating Revenues (Expenses):				
Interest revenue (expense)	(4,456)	(107,227)	(28,356)	(19,126)
Gain (loss) on sale of fixed assets	--	--	(4,321)	22,418
Other	--	--	44,407	66,065
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(4,456)</b>	<b>(107,227)</b>	<b>11,730</b>	<b>69,357</b>
Income (Loss) Before Operating Transfers	(96,544)	52,110	167,226	149,554
Operating Transfers:				
Operating transfers in	--	--	115,000	259,457
Operating transfers out	--	(156,294)	(156,294)	(141,766)
Net Income (Loss)	(96,544)	(104,184)	125,932	267,245
Retained Earnings, Beginning of Fiscal Year	312,192	(2,042,748)	332,972	65,727
Prior Period Adjustment	--	--	(159,604)	--
<b>Retained Earnings, End of Fiscal Year</b>	<b>\$ 215,648</b>	<b>\$ (2,146,932)</b>	<b>\$ 299,300</b>	<b>\$ 332,972</b>

**COUNTY OF MENDOCINO**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2001

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
Cash Flows from Operating Activities:				
Operating income (loss)	\$ (66,887)	\$ 195,191	\$ (11,596)	\$ (28,461)
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation	--	418,916	--	--
Changes in assets and liabilities:				
Accounts receivable	--	--	--	(9,925)
Due from other funds	--	--	--	--
Accounts payable	(16,637)	211,545	--	(27,683)
Due to other funds	--	--	--	--
Accrued salaries and benefits	--	--	--	34
Liability for compensated absences	--	--	--	--
Liability for unpaid claims	--	--	--	(8,781)
Total Adjustments to Net Income	<u>(16,637)</u>	<u>630,461</u>	<u>--</u>	<u>(46,355)</u>
Net Cash Provided (Used) by Operating	<u>(83,524)</u>	<u>825,652</u>	<u>(11,596)</u>	<u>(74,816)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sales of fixed assets	--	24,979	--	--
Purchase of property, plant and equipment	--	(795,100)	--	--
Net Cash Provided by Capital and Related Financing Activities	<u>--</u>	<u>(770,121)</u>	<u>--</u>	<u>--</u>
Cash Flows from Non-Capital and Related Financing Activities:				
Transfers in	115,000	--	--	--
Other income	--	44,407	--	--
Advances from (to) other funds	--	--	--	280,000
Transfers (out)	--	--	--	--
Net Cash Provided by Non-Capital and Related Financing Activities	<u>115,000</u>	<u>44,407</u>	<u>--</u>	<u>280,000</u>
Cash Flows from Investing Activities				
Interest paid	--	--	--	--
Interest received	7,689	18,201	14,801	42,636
Net Cash Provided (Used) by Investing Activities	<u>7,689</u>	<u>18,201</u>	<u>14,801</u>	<u>42,636</u>
Net Increase (Decrease) in Cash and Cash Equivalents	39,165	118,139	3,205	247,820
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>108,227</u>	<u>434,474</u>	<u>219,712</u>	<u>136,568</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 147,392</u>	<u>\$ 552,613</u>	<u>\$ 222,917</u>	<u>\$ 384,388</u>

continued



**COUNTY OF MENDOCINO**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2001

	<u>Worker's Compensation</u>	<u>Health Insurance</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (92,088)	\$ 159,337	\$ 155,496
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation	--	--	418,916
Changes in assets and liabilities:			
Accounts receivable	--	73,782	63,857
Due from other funds	--	--	--
Accounts payable	--	123,855	291,080
Due to other funds	--	(98,484)	(98,484)
Accrued salaries and benefits	1,225	133	1,392
Liability for compensated absences	--	--	--
Liability for unpaid claims	--	--	(8,781)
Total Adjustments to Net Income	<u>1,225</u>	<u>99,286</u>	<u>667,980</u>
Net Cash Provided (Used) by Operating Activities	<u>(90,863)</u>	<u>258,623</u>	<u>823,476</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sales of fixed assets	--	--	24,979
Purchase of property, plant and equipment	--	--	(795,100)
Net Cash Provided by Capital and Related Financing Activities	<u>--</u>	<u>--</u>	<u>(770,121)</u>
Cash Flows from Non-Capital and Related Financing Activities:			
Transfers in	--	--	115,000
Other income	--	--	44,407
Advances from (to) other funds	--	--	280,000
Transfers (out)	--	(156,294)	(156,294)
Net Cash Provided by Non-Capital and Related Financing Activities	<u>--</u>	<u>(156,294)</u>	<u>283,113</u>
Cash Flows from Investing Activities			
Interest paid	(4,456)	(107,227)	(111,683)
Interest received	--	--	83,327
Net Cash Provided (Used) by Investing Activities	<u>(4,456)</u>	<u>(107,227)</u>	<u>(28,356)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(95,319)	(4,898)	308,112
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>315,069</u>	<u>4,898</u>	<u>1,218,948</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 219,750</u>	<u>\$ --</u>	<u>\$ 1,527,060</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.

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**COUNTY OF MENDOCINO  
AGENCY FUNDS**

Combining Balance Sheet  
June 30, 2001  
(With Comparative Figures for June 30, 2000)

	Pension Trust Funds	Nonexpendable Trust Funds	County Agency Funds	Special Districts Local Boards
<u>Assets</u>				
Cash and Investments in County Treasury	\$ 3,180,882	\$ 196,115	\$ 12,409,872	\$ 2,689,601
Due from other funds	--	--	--	--
Total Assets	<u>\$ 3,180,882</u>	<u>\$ 196,115</u>	<u>\$ 12,409,872</u>	<u>\$ 2,689,601</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Agency obligations	--	--	\$ 12,409,872	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>12,409,872</u>	<u>--</u>
Fund Balance:				
Reserved for pool participants	--	--	--	2,689,601
Reserved for retirement system	3,180,882	--	--	--
Reserved for endowments	--	196,115	--	--
Total Fund Balance	<u>3,180,882</u>	<u>196,115</u>	<u>--</u>	<u>2,689,601</u>
Total Liabilities and Fund Balance	<u>\$ 3,180,882</u>	<u>\$ 196,115</u>	<u>\$ 12,409,872</u>	<u>\$ 2,689,601</u>

continued

**COUNTY OF MENDOCINO  
AGENCY FUNDS**

Combining Balance Sheet (continued)  
37072  
(With Comparative Figures for June 30, 2000)

	<u>School Districts</u>	<u>Totals</u>	
		<u>2001</u>	<u>2000</u>
<u>Assets</u>			
Cash and Investments			
in County Treasury	\$ 56,036,029	\$ 74,512,499	\$ 25,655,374
Due from other funds	--	--	3,204,500
Total Assets	<u>\$ 56,036,029</u>	<u>\$ 74,512,499</u>	<u>\$ 28,859,874</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Agency obligations		<u>\$ 12,409,872</u>	<u>\$ 5,779,025</u>
Total Liabilities	<u>--</u>	<u>12,409,872</u>	<u>5,779,025</u>
 Fund Balance:			
Reserved for pool participants	56,036,029	58,725,630	--
Reserved for retirement system	--	3,180,882	22,902,897
Reserved for endowments	--	196,115	177,952
Total Fund Balance	<u>56,036,029</u>	<u>62,102,627</u>	<u>23,080,849</u>
 Total Liabilities and Fund Balance	 <u>\$ 56,036,029</u>	 <u>\$ 74,512,499</u>	 <u>\$ 28,859,874</u>

**COUNTY OF MENDOCINO**

Combining Balance Sheet  
Nonexpendable Trusts  
June 30, 2001

	<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>\$ 59,728</u>	<u>\$ 3,337</u>	<u>\$25,453</u>	<u>\$ 107,597</u>	<u>\$ 196,115</u>
<u>Fund Balances</u>					
Reserved for Endowment Fund	<u>\$ 59,728</u>	<u>\$ 3,337</u>	<u>\$25,453</u>	<u>\$ 107,597</u>	<u>\$ 196,115</u>

**COUNTY OF MENDOCINO**

Combining Statement of Revenues, Expenses, and Changes in Fund Balances  
Nonexpendable Trusts  
For the Year Ended June 30, 2001

	Redwood Valley Park	Walker	Fort Bragg Library	Museum	Totals
Revenues:					
Interest	\$ 3,506	\$ 195	\$ 1,495	\$ 6,138	\$ 11,334
Total Revenues	3,506	195	1,495	6,138	11,334
Additional contributions	--	--	--	6,829	6,829
Expenses:					
Administration	--	--	--	--	--
Net Income (Loss)	3,506	195	1,495	12,967	18,163
Fund Balance, Beginning of Fiscal Year	56,222	3,142	23,958	94,630	177,952
Fund Balance, End of Fiscal Year	<u>\$ 59,728</u>	<u>\$ 3,337</u>	<u>\$ 25,453</u>	<u>\$ 107,597</u>	<u>\$ 196,115</u>

**COUNTY OF MENDOCINO**

Combining Statement of Cash Flows  
Nonexpendable Trusts  
For the Year Ended June 30, 2001

	<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>\$ 3,506</u>	<u>\$ 195</u>	<u>\$ 1,495</u>	<u>\$ 12,967</u>	<u>\$ 18,163</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,506	195	1,495	12,967	18,163
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>56,222</u>	<u>3,142</u>	<u>23,958</u>	<u>94,630</u>	<u>177,952</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 59,728</u></u>	<u><u>\$ 3,337</u></u>	<u><u>\$ 25,453</u></u>	<u><u>\$ 107,597</u></u>	<u><u>\$ 196,115</u></u>

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances  
All Agency Funds  
June 30, 2001

	<u>Cash Balance June 30, 2001</u>
Agency Collections Payable	<u>\$ 2,262,970</u>
Welfare Advances	2,076,721
Cash Unapportioned Funds	(96,975)
Teeter-Tax Loss Resources Fund	(10,241,653)
Teeter-Tax Loss Fund	<u>1,262,715</u>
Total Teeter Tax	<u>(8,978,938)</u>
Courts - Special Revenue	<u>2,128,646</u>
Department Revolving:	
Drug Detection	--
Hospital Education	--
Sheriff	38,578
District Attorney	10,790
ATSS	10,174
Building and Demolition	5,058
General Services	<u>(6,491)</u>
Total Department Revolving	<u>58,109</u>
Realignment Trust	
Public Health Realignment	900,237
Welfare Realignment	(81,538)
Social Services	--
CCS Realignment	<u>543,974</u>
	<u>1,362,673</u>
Payroll Revolving	<u>29,074</u>
Special Deposits:	
Clerk	19,292
RDA Housing Seaside	
Copier Replacement	
Worker's Comp Fraud	
DA Family Child Support	
DA Trust Outlawed	<u>28,890</u>
Special Deposits Subtotal Forwarded	\$ 48,182

continued



**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Special Deposits Subtotal Forwarded	\$ 48,182
Special Deposits (continued):	
Probation Officer	20,910
R & R Probation	35,937
DA Auto Insurance Fraud	480
DA Asset Forfeiture	70,291
Hazardous Waste Management	750
Special Asset Forfeiture Unit	--
Sheriff (Civil)	28,044
Landfill Trust	23,800
Task Force Donations	469
Juvenile Hall Inmate Welfare	5,521
Fingerprint ID Fund	221,017
DA Consumer Fraud	10,178
Subdivision Prepayments	19,643
Child Abduction	--
Tax Collector	1,043,635
Work Furlough EM Trust	14,381
Court Misc Trust	745,883
Court - Interest Bearing	842,401
Mental Health	31,498
H&W Comm Youth Projects	--
Museum Publication	7,079
Managed Care Trust	221,914
Computer Purchase	9,535
Arena Muni Court	--
County Misc Trust	(2,048)
U.J.C. Trust	(97,391)
Juvenile Hall Fines	--
Anderson Valley Justice Court	--
Ten Mile Justice Court	--
Long Valley Muni Court	--
Court Automated System	--
Women's Shelter	2,545
Law Library	24,143
Assessor Info - PC Fees	21,777
Jail Inmates - Welfare	161,907
Solid Waste Franchise Fee	--
Sheriff's Commissary Fund	3,608
Drug Court Fees	5,289
Asset Forfeiture - Litigation	--
State Asset Seizure	48,007
Victim Restitution	4,165
Asset Forfeiture - Sheriff	768
	<hr/>
Special Deposits Subtotal Forwarded	\$ 3,574,318

continued

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Special Deposits Subtotal Forwarded	\$ 3,574,318
Special Deposits (continued):	
Grand Asset Seizure	55,384
Fed Grant Asset Forf	7,085
Sheriff Vehicle Replacement	11,942
Sheriff Vehicle Maintenance	15,807
Emergency Medical	290,127
Child Car Seat Program	24,109
Animal Damage Control	--
Livestock Indemnity	--
Pub Def Education	2,462
Radio System (Sinking) Fund	9,959
Tobacco Litigation	2,186,006
Laytonville Muni Advisory	10,255
Gualala Community Advisory Council	4,459
Solid Waste Equipment Replacement	135,323
Animal Control Donations	2,474
Russian River Cemetery Capital Improvement	152,505
Rural Library Grant	--
Status of Women	--
Mendo Emergency Svcs	(9,469)
Ukiah Constable	--
Older Adult MH SOC	641,289
Public Guardian	--
Public Guardian Investment	--
Public Adminisrator	--
Clerk's Automation Fund	--
Welfare Special	55,152
Landfill Closure	1,238,688
Friends of Bower Park	--
Museum	78,676
Juvenile Hall - Milk and Lunch	66,462
Juvenile Hall Donations	279
Library Donations	22,886
Fort Bragg Library	10,985
Willitts Library Donations	5,237
Carl Moyer Program	31,346
CSOC Children's System of Care	464,275
Vitals and Health Statistics	53,346
Clets Installation - Sheriff	33,256
Off-Highway License	2,395
Food Stamps	--
Social Security Welfare	(28,407)
OES Special Projects Fund	--
Special Deposits Subtotal Forwarded	\$ 9,148,611

continued

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Special Deposits Subtotal Forwarded	\$ 9,148,611
Special Deposits (continued):	
Child Support IV-D	742,393
Cat Spay - Neuter	15,177
Interest Pool	(431,523)
Offshore Energy Assistance	155,460
Welfare IV-D	(89,721)
Public Health Automation Fund	11,022
Vital Statistics - Public Health	666
State Mandated Cost - Reimbursement	64,656
Aerial Maps - Assessor	3,648
Live Traps - Refund Fees	623
Park Key Deposit	(40)
Redwood Empire Railroad History	6,877
Planning and Building	222,068
Redwood Valley Park - Capital Improvement	--
Courts Micrographic Fee	28,005
M.T.A. Vehicle Replacement	194,357
Conversion Film - Recorder	26,706
County Alcohol	124,616
Micrographics Fees	--
Criminal Justice Construction	512,652
Tax Anticipation Note	--
Planning	--
Children's Trust	107,577
Geothermal Development	--
Challenge Grant - Children's Trust	--
Family Resource Program	58,217
Civil Fee Automation	18,233
CCS Travel	9,871
Courthouse Construction	11,253
Recorder's Office Modernization	166,714
Misc	37
Theft Fines - Justice Court	--
FTA - Update Warrant System	7,696
Alcohol Abuse Education	75,529
Drug Abuse Education	64,033
AIDS Education program	148
Wisconsin Mound	--
Small Claims Advisory Fund	--
Child Support Incentive	138,546
Dispute Resolution	29,764
Sheriff Special Project	35,186
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Special Deposits Subtotal Forwarded	\$ 11,459,057

continued

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Special Deposits Subtotal Forwarded	\$ 11,459,057
Special Deposits (continued):	
Current Supplemental Refunds	37
Medi-Cal Mental Health	550,000
County Bounty Incentive Program	--
Family Center Trust	250
Hugs & Kids Project	--
BCCCP Coalition	--
Rehit Trust	105,178
Fish and Game Recovery	15,872
Lincoln Trust	20,055
Federal Asset Forfeiture	57,598
Employee Computer Purchase	(48,931)
Living Communities	--
COPS Program	--
Redwood Valley Fire Equipment	1,971
AB818 Property Loan Program	16,357
LEAA	6,524
SNAFU	--
SNAFU Interest Bearing	24,012
SNAFU Evidence Cash	167,096
Eel-Russian River Commision	3,621
Fund 2410 Total	<u>12,378,697</u>
Special District Construction	<u>61</u>
Special District General Obligation Debt Service	<u>300,395</u>
Brooktrails Construction BIR	<u>(11,890)</u>
Anderson Valley Cemetery	
Cemetery District of Redwoods	28,100
Covelo Cemetery	87,073
Hopland Cemetery	1,906
Mendo/Little River	6,044
Potter Valley Cemetery	20,266
Russian River Cemetery	12,205
Westport/10 Mile	382,064
Covelo Fire Department	6,525
Ukiah Library	128
Fort Bragg Library - NET	127,188
Low Gap Park	23,244
Bookmobile	8,343
Willits Library	4,952
Fund 2710 Total	<u>708,038</u>
Total Special Deposits	<u>\$ 13,375,301</u>

continued

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Grant Funds:	
CTIA Admin	
Community Block Development Grant	16,184
JFIKIFS	--
CDBG	148,101
Railroad Fund MTA	3,837
Mendocino Council of Governments Transportation	6,602
Mendocino Transit Authority	433,246
MTA Capital	18,748
Medi-Cal Outreach	(127,422)
Food Handler Certification	5,184
Workforce Investment Act	(697,048)
MIOCR Planning	--
WINDO	(557)
Maternal Child Health - CPSP	--
Women, Infants, and Children	(29,871)
Maternal Child Health	(119,627)
Drug CT Partnership Program	126,392
	(4,843)
Mendocino Solid Waste Management	687,269
California Wellnes Grant	248,163
California Arts Council	--
RDWD Empire Planning and Prevention	(25)
Community Planning and Prevention	2,236
Coastal Conservatory	--
Garcia River Water	--
Elk Community Center	15
Ca Complete Count (Census)	(93)
Russian River - ARMP	237,134
Navarro Watershed Restoration	--
Supportive Housing	(2,848)
Adolescent Family Life Prog	(60,649)
Eel - River Watershed	(57)
Round Valley Co-Op Library	(142,085)
Drug Court	(150)
Domestic Violence Council	58
Rural Health Collaborative	(223,751)
HIV Consortium	(32,010)
State Coastal Conservancy - Garcia	--
Jackson State Education	--
CDF Road Building Guide	25,547
EPA/SWRCB 319(h) Garcia	--
EEL River Planning 205J	--
Livescan Fingerprint	--
	79,493
Statutory Rape vertical Prosecution	(38,581)
Grant Funds Subtotal Forwarded	<u>\$ 558,592</u>

continued

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Grant Funds Subtotal Forwarded	\$ 558,592
Grant Funds (continued):	
Statutory Rape Vertical Prosecution	(38,581)
Child Abuser Vertical Prosecution	
Law Enforcement Block Grant	--
Covelo Cleanup - Env Health	(30)
LEA Solid Waste Grant	--
Tobacco Education Services	41,844
BCCP	32,962
Special Emphasis Victims	(6,043)
Comprehensive Perinatal Outreach	(47,612)
Law Enforcement Block Grant	(12,652)
M.T.A. Senior Transportation	73,711
SADDAP	62,728
CDF Instream Monitoring	(4,710)
Garcia River Enhancement	--
Marijuana Suppression	--
Victim/Witness Assistance	(40,238)
Anti-Drug Abuse ENF	(47,074)
DEA	(1,445)
Correction Officers Training	6,543
Ag Product Marketing Study	2,505
Strategic Tourism Mktg Plan	--
Tomki Phase I	--
NRCS Russian River	--
MCRCD Fines	(870)
Adopt a Watershed	7,342
Tomki Video	--
Transitional Housing	1,140
Communities Fund Project	10,655
Family Law Facilitator	(67,651)
SNAP Public Health	(154,575)
DFG Upper Eel	--
CMSP W & P Project	115,150
Court Technology Grant	--
Public Health Initiative	46,097
AIDS Public Health	(9,770)
AIDS - Education	(254,738)
CMSP Wellness and Prevention	(568)
Library Computer Literacy Seniors	--
Family Planning Program	10,806
LLEBG MC Youth Project	3,311
CoAir Grant	--
Navarro Watershed SCC	111
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Grant Funds Subtotal Forwarded	\$ 325,521

continued

**COUNTY OF MENDOCINO**

Combining Statement of Cash Balances (continued)  
All Agency Funds  
June 30, 2001

Grant Funds Subtotal Forwarded	\$ 325,521
Grant Funds (continued):	
Student Assistance Project	<u>(77,989)</u>
TB Control	
Family Visitation	(11,354)
Child Health and Disability Program	(27,751)
Public Health - Hazardous Material	(1,203)
F & G Mill Creek MCRC	
OCJP/ECMV	<u>(14,933)</u>
Total Grant Funds	<u>192,291</u>
Employees' Retirement Fund	<u>3,180,822</u>
Total Cash All Agency Funds	<u><u>\$ 15,590,694</u></u>

## **OTHER REPORT**



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# Bartig, Basler & Ray

A Professional Corporation

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Certified Public Accountants and Management Consultants

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Frank V. Trythall  
Kenneth E. Pope  
Brad W. Constantine  
Theril H. Lund  
Bruce W. Stephenson

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, CA

We have audited the financial statements of County of Mendocino as of and for the year ended June 30, 2001, and have issued our report thereon dated September 6, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### 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 the 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.

Board of Supervisors and Grand Jury  
County of Mendocino

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities.

BARTIG, BASLER & RAY, CPAs, INC.

*Bartig, Basler + Ray, CPAs, Inc.*

Roseville, California  
September 6, 2001