

COUNTY OF  
**MENDOCINO**



STATE OF CALIFORNIA

**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**

For the  
Fiscal Year Ended  
**June 30, 2021**

Prepared and submitted by the Office of the  
Auditor-Controller/Treasurer-Tax Collector,  
Chamise Cubbison



– COVER PHOTO –  
*Wages Creek Beach, Westport, CA; photo by Megan Miltimore*

# COUNTY OF MENDOCINO

STATE OF CALIFORNIA

## Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared and submitted by  
The Office of the Auditor-Controller/Treasurer-Tax Collector  
Chamise Cubbison



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(2)



# INTRODUCTORY SECTION



– INTRODUCTORY SECTION PHOTO –  
*Montgomery Woods, Ukiah, CA; photo by Megan Miltimore*



# **MENDOCINO COUNTY**

**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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

**CHAMISE CUBBISON**

**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

July 14, 2022

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

I hereby submit this year's Annual Comprehensive Financial Report ("ACFR") of the County of Mendocino for the fiscal year ended June 30, 2021. This ACFR is intended to present information above and beyond what is required by Generally Accepted Accounting Principles ("GAAP") or state law.

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

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

This report contains management representations and is prepared by the Office of the Auditor-Controller/Treasurer-Tax Collector. Mendocino County management is responsible for the accuracy of the presented data, and the completeness and fairness of the presentation. To provide reasonable assurance of accuracy of the information presented in these financial statements and to protect County assets, management has instituted an internal control framework. This framework consists of policies, procedures and computer-based accounting and management information systems sufficient to ensure reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements and accompanying Notes to the Financial Statements contained in this ACFR have been audited by CliftonLarsonAllen, LLC ("CLA"), a Limited Liability

Partnership of Certified Public Accountants. Their audit was performed in accordance with GAGAS. The auditors have concluded, based on their audit, that the financial statements combined with the accompanying Notes present fairly, in all material respects, the financial condition of Mendocino County as of June 30, 2021. A copy of their report is included in the Financial Section of this ACFR.

In planning and performing the audit of the financial statements, CLA considered the internal control structure of the County in order to determine appropriate audit procedures. During this review, one material weakness was noted. This information was presented in a letter to the Board of Supervisors and management.

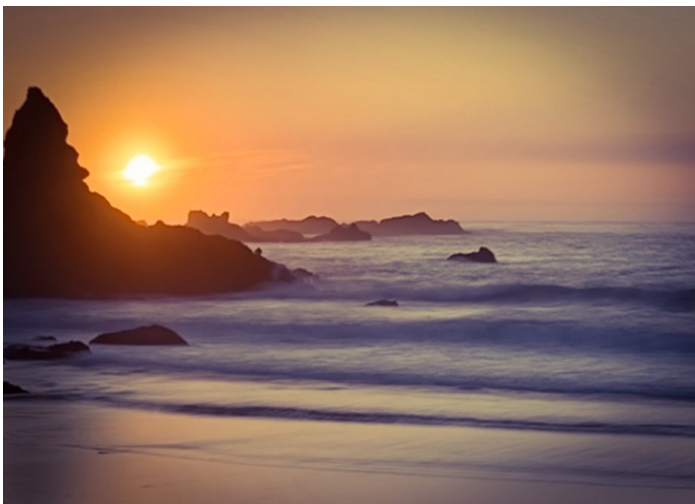
Management is required by GAAP (GASB 34) to provide a Management Discussion and Analysis (“MD&A”) in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County.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

## **OVERVIEW OF MENDOCINO COUNTY**

### **County History and Geography**

Mendocino County is one of the original counties of California. It was created in 1850 at the time of statehood, and derives its name from Cape Mendocino. Mendocino County lies along the northern coast of California, and is noted for its distinctive Pacific Ocean coastline, which stretches from the “Lost Coast” on its northern border to the small seaside town of Gualala on its southern border.

With an area of 3,878 square miles, Mendocino County encompasses 3,506 square miles of land and 372 square miles of water. The County is located about 100 miles north of San Francisco. Mendocino County borders six other California counties: Humboldt and Trinity to the north, Tehama, Glenn and Lake to the East, and Sonoma to the south.



*Jug Handle Beach, Fort Bragg, CA; photo by Megan Miltimore*



*Majestic Redwoods*

Mendocino County is also known for its majestic redwood forests, which provide many areas for residents and visitors alike to enjoy the quietude and serenity of their primordial presence.

The timber/forest products and wine grapes and wine production industries support a large part of the County's local agricultural economy, while its unspoiled beauty and rural setting provides niche markets for microbreweries, artisans and a developing cannabis production industry.



*Timber production*



*Wine production*



*Bartlett pears*



*Cannabis*

## **County Structure**

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

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

## **County Services**

The County government provides a full range of public services including public safety, roads and facilities, social services, health services, administrative services, sanitation services, library services and leisure services. Typically, the department heads who oversee the County's various public service operations, other than elected department heads, report to the Chief Executive Officer (CEO).

The Ukiah Administration Center at 501 Low Gap Road houses most of the County's business services, including the offices of the Assessor-Clerk Recorder, Elections, Environmental Health, Planning & Building and the Treasurer-Tax Collector. The Administration Center in Ukiah also houses the offices of the Mendocino County Board of Supervisors, the Chief Executive Officer, the Auditor-Controller/Treasurer-Tax Collector, County Counsel, the Prevention, Recovery, Resiliency and Mitigation Division, and the County's various internal support departments, including Human Resources and Information Services.

The Mendocino County Sheriff-Coroner administration offices, Jail and Juvenile Hall, and Probation are also located in Ukiah. Sheriff Substation facilities are located in Fort Bragg and Willits, and limited facility outpost substations are in Mendocino and Redwood Valley.



*Mendocino County Administration Center, Ukiah, CA*



*Mendocino County Sheriff's Office, Ukiah, CA*

Other Ukiah-based facilities include the offices of the District Attorney, Agriculture, Alternate Defender, Animal Care, Child Support, Cultural Services, Public Defender, Transportation and county support facilities of Central Services and Facilities and Fleet.

Mendocino County's Health and Human Services Departments, including behavioral health, public health, and veterans' and social services, have facilities in Ukiah, Fort Bragg and Willits.



*Mendocino County Health & Human Services/Public Health, Ukiah, CA*

## **County Cultural Services & Recreation**

Mendocino County's Cultural Services Agency strives to enrich the quality of life for all residents of Mendocino County through maintaining and improving the services of the Mendocino County Library Branches and the County Museum.

**County Libraries:** Mendocino County maintains community libraries in Ukiah, Fort Bragg, Willits, Point Arena (Coast Community Branch Library), and Covelo (Round Valley Branch Library), and a Book Mobile that brings mobile library services to many smaller communities throughout the County. In 2022, the new Laytonville Branch Library is slated to open its doors, offering a small but comprehensive book collection, public internet and computer use, Wi-Fi, and printing and copy services. For more information regarding the Mendocino County Libraries, visit their website at: <https://www.mendolibrary.org/home>

**County Museum:** The County maintains the Mendocino County Museum in Willits, which houses a thoughtfully curated collection of the artifacts of Mendocino County's cultural heritage. Permanent exhibits feature Pomo and Yuki basketry, antique stagecoaches, recovered wreckage from a famous shipwreck off the Mendocino Coast, and old signs and storefronts from historic Willits businesses. Temporary installations have covered the Civil

War's impact on Mendocino County residents, vintage toys, local Veterans' stories, and famous personages of the county's past.

During the pandemic, the museum offered virtual community exhibits. The museum's website currently offers a collection of digital exhibits and videos that showcase unique collections, the County's history, culture, natural resources, as well as activities for kids and links to other online resources. Video and digital programs can be found under the "+ Engage" tab of the museum's website:



Mendocino County Museum, Willits, CA

<https://www.mendocinocounty.org/government/cultural-services-agency/museum>

**County Parks:** Mendocino County Facilities Department operates and maintains County-owned and/or maintained parks and recreation areas throughout the County, including developed community parks in Gualala, Boonville, Philo, Ukiah, Talmage and Redwood Valley.



Bower Park



Faulkner Park



Mill Creek Park



RV Lions Club Park

## County Population

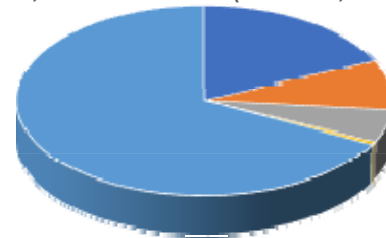
The County has historically maintained a relatively stable population base. The current estimate for 2021 is 87,443 people. [1] This is a 1% decrease from the prior year. About 67% of the County's population is located around the County's four incorporated cities. The City of Ukiah serves as the County seat, and is the County's largest incorporated city, with an estimated 2021 population of 15,957.



■ Ukiah, CA

### Mendocino County Population:

87,443 Residents (June 30, 2021)



- 18% Ukiah
- 8% Fort Bragg
- 6% Willits
- >1% Point Arena
- 67% Unincorporated

1. Source: <https://worldpopulationreview.com/us-counties/ca/mendocino-county-population>

The three other incorporated cities of Mendocino County are Fort Bragg, Willits and Point Arena, with estimated 2021 populations of 7,299, 4,815 and 431, respectively.



■ Fort Bragg, CA



■ Willits, CA



■ Point Arena, CA

## **LOCAL ECONOMY**

### **Agribusiness**

Per the Mendocino County 2020 Crop Report, the total gross agricultural value for all commodities produced in 2020 was \$223 million, an 18% decrease from the prior year's total value of \$272 million. The COVID-19 pandemic had a negative effect on many sectors of the Agribusiness economy, primarily disrupting labor supply.

### **Timber**

Timber was the leading agricultural commodity in 2020, with a gross production value of \$94 million. Timber is down 14% or \$16 million in 2020 over the prior year's total production value of \$110 million. The timber production industry accounted for 42% of all agribusiness in Mendocino County in 2020. This is down 1% over the prior year's ratio of timber to total agribusiness. Mendocino County ranked 4<sup>th</sup> in the state timber volumes and produced roughly 8% of California's timber harvest in 2020. <sup>[1]</sup> The timber industry provides 360 jobs <sup>[2]</sup> within the County and plays an important role in our County's economic health. Sustainable timber harvesting reduces wildfire risk and improves forest health and wildlife habitat.



### **Agricultural Production**

Agricultural production, excluding timber, totaled \$129 million in 2020, down 20%, or \$33 million, over the prior year. <sup>[1]</sup> For the first time in many years, wine grapes were only the second leading commodity, following timber. With a total 2020 value of \$82 million, wine grape production decreased 28% from the prior year production value of \$114 million. Wine grapes accounted for 37% of all agribusiness in Mendocino County in 2020, a decrease of 5% over the prior year's ratio of wine grapes to total agribusiness. The agriculture industry currently provides 1,780 jobs within the County. <sup>[1]</sup> Crop values fluctuate yearly based on economic, production, market, and weather conditions.

Sources:

1. Mendocino County Crop Report 2020
2. State of California Employment Development Department (QCEW industry estimates)



## Cannabis

On Tuesday, April 4, 2017, the Board of Supervisor adopted the [Chapter 10A.17](#) and [Chapter 20.242](#) regulating cannabis cultivation in Mendocino County.

Mendocino County's first Cannabis Report details licensed cannabis cultivation for 2020:

Total licenses (provisional & approved): 1,310

Total cultivated area (indoor/mixed light/outdoor): 11.2 million square feet (291 acres)

Total production: 192,541 pounds, with a gross value of \$131 million.



## Labor Force and Unemployment

The labor force for Mendocino County in June of 2021 was 37,150 people, of which 2,460 were unemployed. Total labor force decreased by 160 people from the prior year, while the number of unemployed persons decreased by 2,080. The unemployment rate in Mendocino County was 6.6% as of June 2021, 5.8% lower than the June 2020 rate of 12.4%. The County's unemployment rate as of June 2021 was 1.6% lower than the June 2021 state unemployment rate of 8.2%.<sup>[1]</sup>



## Real Estate/Housing

The median home price in Mendocino County increased by 27.3% in fiscal year 2021. The 12-month fiscal year average rose from \$414,800 to \$528,200.<sup>[2]</sup>

The median home price has generally increased each year since April 2012, when it was \$305,000. The average median home price for FY 2022 is forecasted to remain relatively level.

## BUDGETARY PROCESS

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

Source:

1. State of California Employment Development Department, LMI by Counties, Historical Civilian Labor Force
2. California Association of Realtors, data values by month, July 2019-June 2021

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

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

### **Factors Affecting Financial Condition**

Pandemic relief initiatives dominated the financial and operational systems of our County throughout the fiscal year of 2020-21. The County is fully utilizing federal and state COVID-19 relief funding to help address the COVID-19 response, to meet the needs of its residents and better prepare our County to respond to disasters.

### **COMPONENT UNITS**

This report includes all the funds of the County of Mendocino and the entities described in Note 1 of the Notes to Basic Financial Statements. Although all these entities are legally separate from the County, the County Board of Supervisors serve as the governing board of each entity, and the entities meet the test required by GAAP to be presented as blended component units in the County's Financial Statements.

Also of note, individual financial statements are available for some of the component units referenced in Note 1 and are available upon request by contacting the Office of the Mendocino County Auditor-Controller/Treasurer-Tax Collector.

### **LONG-TERM FINANCIAL PLANNING**

The County funds a wide variety of services for the citizens of Mendocino County including public health, public safety, planning & building services, health and social services, and road maintenance, among others.

The Adopted Budget for Fiscal Year 2021-22 is a work plan for the County, but is contingent on many variables, including federal and state funding. It represents the Board of Supervisors and County Managements' goals and priorities for the future of the County, including fiscal stability, financial sustainability, organizational development, and maintaining or improving current levels of service to the public. The County continues to invest in disaster response and recovery, pay down debt and maintain strong reserves, while also investing in the organization's future through employee compensation, the Leadership Initiative program, and recruitment and retention practices.

Other priorities the 2021-22 fiscal year budget focuses on include:

- economic recovery and resiliency,
- continued support for COVID-19 response,
- delivering services more efficiently and cost effectively,
- improving public access to County services via the internet,

- investing \$4.7 million towards deferred maintenance and infrastructure projects, and
- other Board-allocated funding priorities, including fire and emergency medical services, disaster recovery, Planning and Building services, and support for the County's community partners.

## Appropriations

The final fiscal year 2021-22 budget for all governmental funds authorized a \$348,817,299 spending level, which is an increase of \$13.5 million (4%) over the \$335,324,649 budgeted in fiscal year 2020-21 for all governmental funds.

The General Fund budget authorized spending of \$233,628,540, an increase of \$10.4 million (4%) over the prior year budget of \$223,628,540. <sup>[1]</sup>

## Capital Improvements

Each year a 5-year Capital Improvement Program (CIP) plan is compiled for short-range and long-range capital improvements, projects, acquisitions, and development (including plans for improving or rehabilitating County-owned infrastructure). The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs.

The five-year CIP does not appropriate funds; rather it serves as a budgeting tool, identifying those Capital Project appropriations to be made through the adoption of the County's annual budget.

Total 2021-22 appropriations for Capital Improvements and Projects is \$12,671,825, <sup>[1]</sup> up \$3.2 million, or 33%, from the prior year CIP plan total of \$9,498,116. This includes \$3 million reserved exclusively for projects developed through the Mendocino County Mental Health Treatment Act.

Many of these capital improvements and projects are multi-years projects.

## **RELEVANT FINANCIAL POLICIES**

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

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

Source:

1. Mendocino County Adopted Budget, FY 2021-22

**Budget Priorities:** The budget is developed within the framework of the Board of Supervisors' current goals of Fiscal Stability, Financial Sustainability, Organizational Development, Investing in Roads and Economic/Business Development, Support for Emergency Services, Disaster Recovery, Local Homeless Issues, and Supporting Community Partners.

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

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

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

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement (COA) for Excellence in Financial Reporting to the County of Mendocino for its Annual Comprehensive Financial Report (ACFR) for fiscal years ending June 30, 2018-2020.

To be awarded a COA, the ACFR must be judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. It is the highest form of recognition in governmental accounting. The County of Mendocino is proud to have submitted an ACFR and received a COA for these fiscal years, and would like to acknowledge and thank all related parties for their contributions to this significant accomplishment.

While the COA is valid only for the report to which it is awarded, we are hopeful that the County of Mendocino's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, continues to meet these high standards.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Mendocino  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## **ACKNOWLEDGEMENTS**

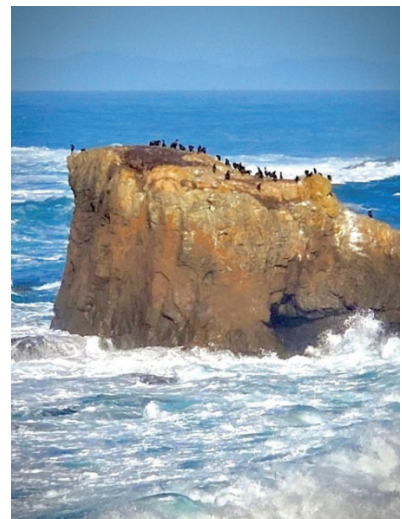
The preparation of this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, would not have been possible without the efficient and dedicated services of the accounting and auditing staff of the Auditor-Controller/Treasurer-Tax Collector's Office. We would like to acknowledge our independent auditors, Clifton Larson Allen, LLP, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its interest, support and action to ensure the continued fiscal health and integrity of the County.

Respectfully Submitted:



Chamise Cubbison

Auditor-Controller/Treasurer-Tax Collector



*Point Cabrillo Light Station, Mendocino, CA; Penguin Rock; photos by Lloyd Weer*



**COUNTY OF MENDOCINO  
BOARD OF SUPERVISORS AND SUPERVISORIAL DISTRICTS  
JUNE 30, 2021**



**Glenn McGourty**  
District 1



**Mo Mulheren**  
District 2



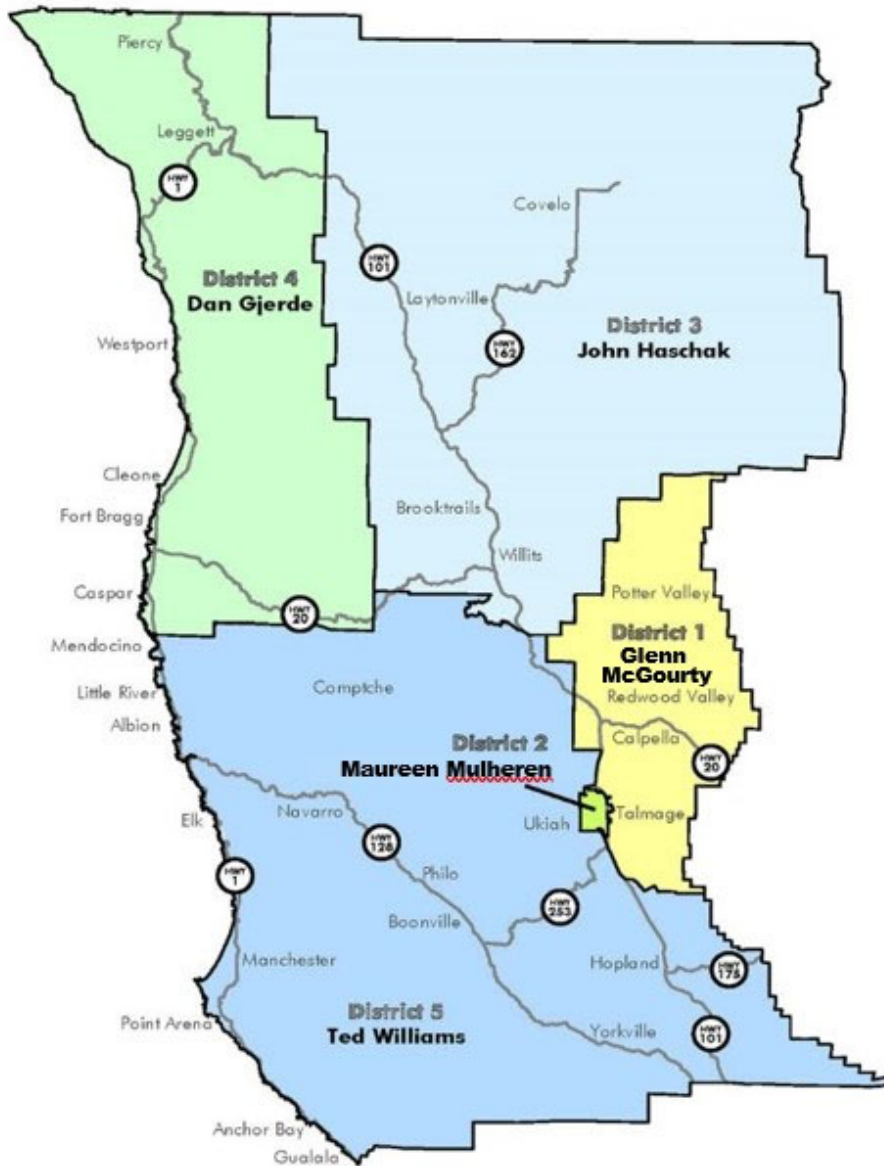
**John Haschak**  
District 3



**Dan Gjerde**  
District 4



**Ted Williams**  
District 5



**COUNTY OF MENDOCINO  
PRINCIPAL COUNTY OFFICIALS  
JUNE 30, 2021**

Elected Officials:

Legislative Branch/Board of Supervisors:

District 1..... Glenn McGourty

District 2..... Maureen Mulheren

District 3..... John Haschak

District 4..... Dan Gjerde, Chair

District 5..... Ted Williams, Vice Chair

Executive Branch:

Assessor-County Clerk-Recorder ..... Katrina Bartolomie

Auditor-Controller ..... Lloyd B. Weer

District Attorney ..... C. David Eyster

Sheriff-Coroner ..... Matthew Kendall

Treasurer-Tax Collector..... Shari L. Schapmire

Appointed Department Heads:

Agricultural Commissioner/Sealer ..... Jim Donnelly

Alternate Defender ..... Patricia Littlefield

Animal Care Services Director ..... Rich Molinari

Chief Executive Officer ..... Carmel J. Angelo

Chief Probation Officer ..... Izen Locatelli

Child Support Services Director ..... Anne Molgaard

County Counsel ..... Christian Curtis

Cultural Services Director..... Deborah Fader Samson

Health and Human Services Agency Director ..... Bekkie Emery

Human Resources Director ..... William Schurtz

Planning and Building Director ..... Nash Gonzalez

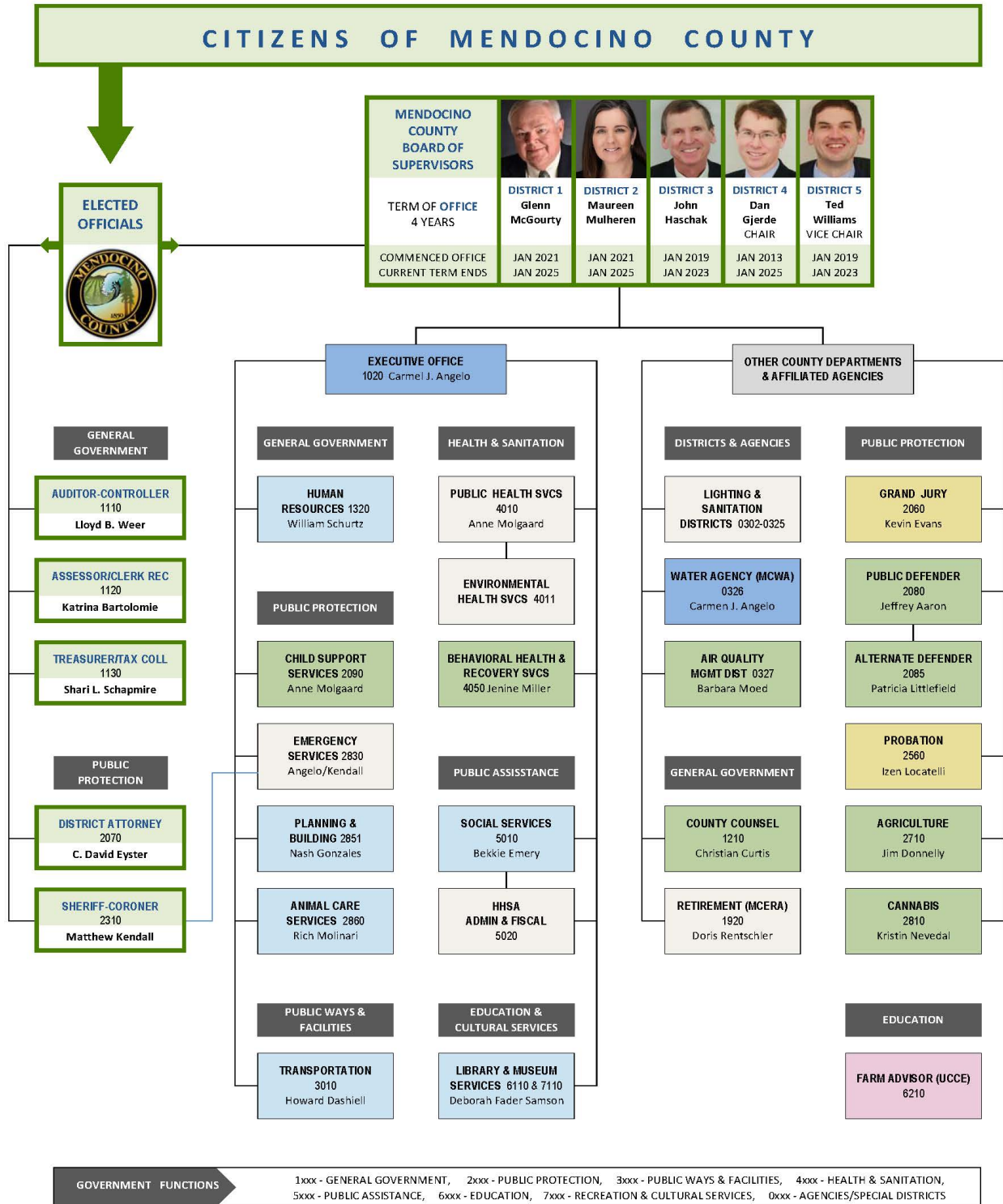
Public Defender ..... Jeffrey Aaron

Retirement Association Executive Director..... Doris Rentschler

Transportation Director..... Howard Dashiell



# COUNTY OF MENDOCINO ORGANIZATION CHART JUNE 30, 2021



**GOVERNMENT FUNCTIONS**

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

Elected Officials

Appointed by the Board of Supervisors

Appointed by the CEO

Appointed by Judiciary

Appointed by UC





# FINANCIAL SECTION



– FINANCIAL SECTION PHOTO –  
*Low Gap Park, Ukiah, CA; photo by Megan Miltimore*



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Mendocino, California, (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

*Prior period adjustments*

As disclosed in Note 8 to the financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

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

***Other Information***

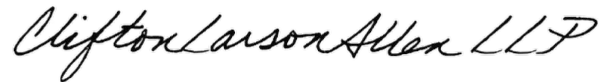
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund statements and schedules, other budgetary schedules, and statistical section are presented for purposes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

The combining fund statements and schedules and other budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

Board of Supervisors and Grand Jury  
County of Mendocino

States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

**CliftonLarsonAllen LLP**

Roseville, California  
July 14, 2022





## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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



**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

This section of the County of Mendocino (the County) Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements following this section.

**Financial Highlights**

- The County's government-wide assets and deferred outflows of resources from governmental activities exceeded its liabilities plus deferred inflows of resources at the close of the 2021 fiscal year by \$43,604,461 net position. Of this amount, there was a deficit of \$(191,378,417) in unrestricted net position. Beginning in FY 2015, GASB 68 required all counties to recognize their pension liability as a deficit in unrestricted net position on their financial statements. This caused most counties to show a deficit in their overall net position. In fiscal year 2021, Mendocino County has improved their positive net position from \$19,647,104 at the beginning of the year to \$43,604,461 at fiscal year-end. Restricted net position of \$105,021,444 represents resources that are subject to external restrictions on their use. The remaining \$129,961,434 represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets.
- The County's total net position increased by \$20,535,443 during the current fiscal year. The increase in net position represents the degree to which revenues exceeded expenses, an indication that the financial position of the County continues to improve. The primary reason for the increase was due to COVID aid operating grants and contributions, as well as an increase in sales tax revenue.
- As of June 30, 2021, the County's governmental funds reported a combined ending fund balance of \$137,252,928. This was an increase of \$5,714,486 in comparison with the prior year. Total Revenues increased overall by \$7.6 million. A decrease of \$22.4 million in Other Revenues, due to the PG&E settlement recorded in the prior year, was tempered by a \$14.2 million increase in revenue from Taxes and a \$16.2 million increase in Intergovernmental Revenue. Expenditures increased by \$41.1 million. Notable increases include \$12.9 million in Health and Sanitation, due to state and federal funding and grant funding for the pandemic response and homeless housing programs, and \$15.2 million in Capital Outlay, due to:
  - the federally funded purchase of an alternate site for COVID isolation,
  - the Mental Health Treatment Act, which funded the remodel of the Behavioral Health Training Center and the construction of the new Crisis Residential Treatment Facility, and
  - the Project Homekey effort, which funded the purchase of a local motel suitable for homeless housing.
- At the end of the fiscal year, the general fund reported an ending fund balance of \$80,986,874, of which \$263,472 was nonspendable, \$8,714,288 was restricted, \$50,403,951 was assigned, and \$21,605,163 was unassigned.
- Total long-term debt (bonds payable, certificates of participation) decreased by 11% (\$6,670,000), to \$54,365,000, during the 2020-21 fiscal year.

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

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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

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

The statement of activities presents information showing how the County's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees, fines and charges for service. The governmental activities of the County include: General Government, Public Protection, Public Ways and Facilities (Transportation), Health and Sanitation, Public Assistance, Education, Recreation and Culture, and Debt Service and Contingencies. Internal Service Funds that provide insurance coverage, computer software acquisition and vehicle replacement are also included in governmental activities.

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

**Fund Financial Statements.** A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and charges in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 22 individual governmental funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for all major funds: the General Fund, the Debt Service Fund, the Pension Obligation Bonds Fund, the Mental Health Services Fund, the Road Fund, the Mental Health Treatment Fund, and the Disaster Recovery Fund. The Disaster Recovery Fund has newly become a major fund. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The disaster recovery fund was previously grouped with these nonmajor governmental funds.

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

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

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

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

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

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

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

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Government-Wide Financial Analysis.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$43,604,461 at the close of the 2020-21 fiscal year.

	Governmental Activities*	
	2021	2020
<b>ASSETS</b>		
Current and Other Assets	\$ 188,445,916	\$ 177,584,027
Capital Assets	145,646,678	125,128,190
Total Assets	334,092,594	302,712,217
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 54,038,138	 28,607,466
 <b>LIABILITIES</b>		
Other Liabilities	23,502,462	24,648,301
Long-Term Liabilities	320,982,192	286,852,798
Total Liabilities	344,484,654	311,501,099
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 41,617	 171,480
 <b>NET POSITION</b>		
Net Investment in Capital Assets	129,961,434	109,188,190
Restricted	105,021,444	70,808,211
Unrestricted	(191,378,417)	(160,349,297)
Total Net Position	\$ 43,604,461	\$ 19,647,104

The largest portion of the County's net position, \$129,961,434, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Another portion of the County's net position, \$105,021,444, is restricted net position and represents resources that are subject to constraints by either external creditors or government entities or by law through constitutional provisions or enabling legislation.

The County's unrestricted net position balance of \$(191,378,417) is in large part due to reporting the County's pension liability on the statements to comply with the GASB 68 accounting standard.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Governmental Activities.** Governmental activities increased the County's net position by \$20,535,443 during the current fiscal year.

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program Revenues:		
Fees, Fines, and Charges for Services	\$ 22,902,671	\$ 21,148,724
Operating Grants and Contributions	177,463,841	145,480,971
Capital Grants and Contributions	3,404,935	3,191,180
General Revenues		
Property Taxes	55,714,699	51,499,607
Sales and Use Taxes	31,030,406	24,742,692
Other Taxes	14,687,868	11,012,247
Unrestricted Interest and Investment Earnings	549,173	3,141,102
Settlement Revenue	-	22,651,738
Miscellaneous	2,374,770	2,135,981
Total Revenues	<u>308,128,363</u>	<u>285,004,242</u>
<b>EXPENSES</b>		
General Government	22,850,862	22,640,298
Public Protection	84,641,799	77,463,973
Public Ways and Facilities	22,349,873	22,549,963
Health and Sanitation	70,043,960	57,374,389
Public Assistance	80,229,727	77,122,026
Education	3,936,977	4,174,423
Recreation and Cultural Services	616,849	553,752
Interest on Long-Term Debt	2,922,873	3,404,913
Total Expenses	<u>287,592,920</u>	<u>265,283,737</u>
<b>CHANGE IN NET POSITION</b>	20,535,443	19,720,505
Net Position - Beginning of Year, as Previously Stated	19,647,104	2,799,772
Prior Period Adjustment	3,421,914	(2,873,173)
Net Position - Beginning of Year, Restated	<u>23,069,018</u>	<u>(73,401)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 43,604,461</u>	<u>\$ 19,647,104</u>

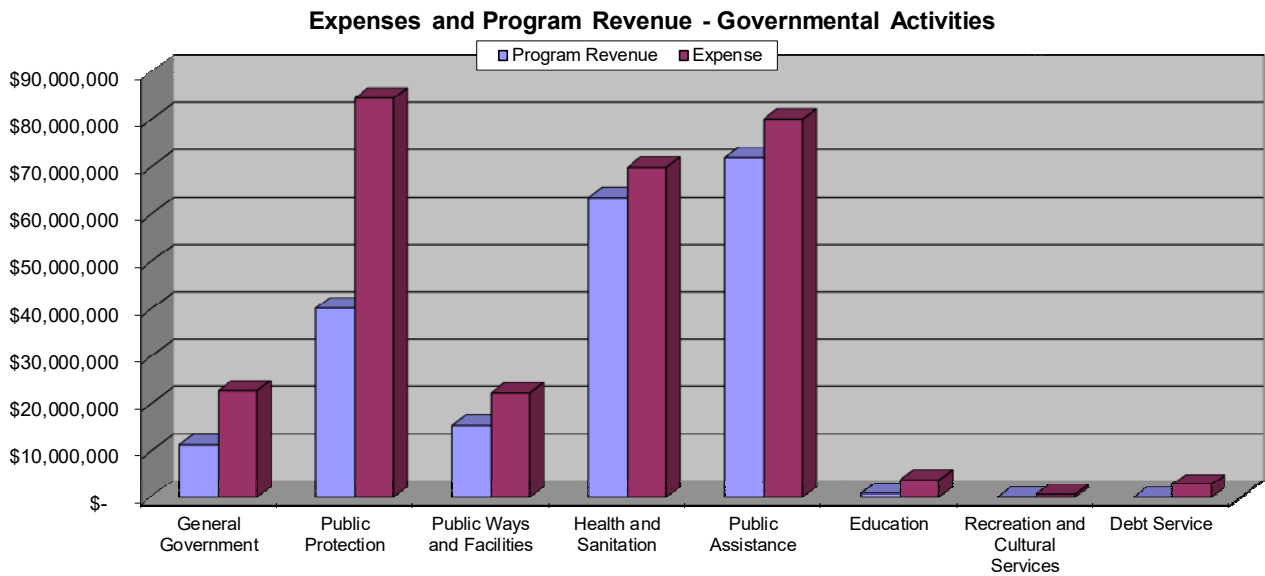
Revenues increased by \$23.1 million, or 8%, from the prior year. Revenue from operating grants and contributions increased by \$32.0 million, or 22%, in FY 2021, due to COVID aid and additional governmental assistance for homeless services and other programs. This increase was significantly offset by a 100% decrease in settlement revenue, due to the prior year PG&E settlement of \$22.7 million. Tax revenues increased overall by \$14.2 million: notably, sales and use tax revenue by \$6.3 million, or 25%; property tax revenue by \$4.2 million, or 8%; and revenue from other taxes by \$3.7 million, or 33%, which includes a \$2.4 million, 51% uptick in room transient occupancy taxes (TOT), plus \$.7 million of new campground/recreation facilities TOT (to be used for fire protection). Unrestricted interest and investment earnings saw a decrease of \$2.6 million from the prior year, while program revenues from fees, fines and charges for services increased \$1.8 million from prior year.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Expenses increased overall by \$22.3 million, or 8%, from prior year. The largest increase was in health and sanitation, by \$12.7 million, or 22%. Other increases include \$7.2 million, or 9%, in public protection, and \$3.1 million, or 4%, in public assistance. Increases were largely related to the continued pandemic response.

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

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



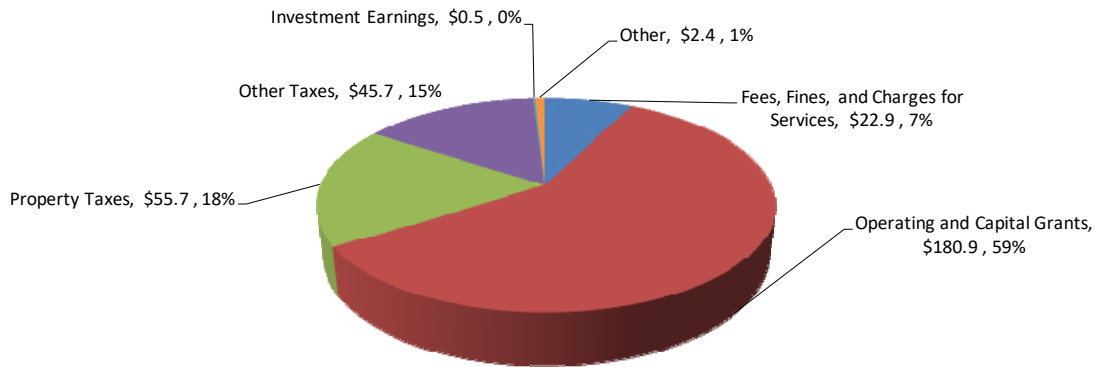
**Expenses and Program Revenue**

<u>Governmental Functions</u>	<u>Program Revenue</u>	<u>Expense</u>
General Government	\$ 11,418,626	\$ 22,850,862
Public Protection	40,267,034	84,641,799
Public Ways and Facilities	15,541,387	22,349,873
Health and Sanitation	63,635,073	70,043,960
Public Assistance	72,026,863	80,229,727
Education	872,820	3,936,977
Recreation and Cultural Services	9,644	616,849
Debt Service	-	2,922,873
 Total Governmental Functions	 203,771,447	 <u>\$ 287,592,920</u>
 General Revenues (taxes, interest and investment earnings and miscellaneous)	 <u>104,356,916</u>	
 Total Revenues	 <u>\$ 308,128,363</u>	



**COUNTY OF MENDOCINO  
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**Revenues by Source (in millions) - Governmental Activities**



Of the \$308 million of revenue received by the County, the largest portion comes from federal and state sources (approximately 59%). The second largest source comes from property taxes (18%). However, it should be noted that of every \$1.00 collected in property tax approximately 63% benefits schools, with 30% going toward the funding of County services and programs. Cities receive 2% and Special Districts receive 5%. Only 30% of total revenue received is discretionary (not dedicated to particular services/programs).

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

**Financial Analysis of the Government's Funds.** As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$137,252,928, an increase of \$9,136,400 from the prior year. This includes a negative \$(11.4) million fund balance in the disaster recovery fund, which was not a major fund in the prior year and has a negative fund balance at year end due to unpaid COVID-19 FEMA (Federal Emergency Management Agency) eligible costs which have been submitted to FEMA and are awaiting final approval and payment. The components of total fund balance are as follows:

- Nonspendable fund balance, \$1,471,601, consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventories.
- Restricted fund balance, \$79,018,247, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of funds (i.e., mental health treatment \$26,951,085, IG/partnerships for health \$9,632,919, mental health services \$5,149,165, grant programs \$4,103,797, roads \$3,368,271, library \$2,142,722, special districts \$1,621,113, and whole person care \$868,669), (2) pension obligation bonds \$8,067,650 and debt service \$2,004,034, and (3) amounts restricted for various other purpose restrictions \$15,108,822.
- Assigned fund balance, \$51,525,422, represents amounts that are intended for a specific purpose and are established by the Board of Supervisors, or an official body delegated by the

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.

- Unassigned fund balance, \$5,237,658, represents the General Fund's resources that are not classified in the three previous components and are considered available for spending at the government's discretion.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the General Fund's total fund balance was \$80,986,874, and represents an increase of \$10,637,501 during the 2020-21 fiscal year. The nonspendable portion of the total fund balance for the General Fund was \$263,472, while the spendable portion was \$80,723,402. As a measure of the General Fund's liquidity, it may be useful to compare both the total fund balance and the spendable fund balance to the total fund expenditures of \$180,460,379. Spendable fund balance represents 44.7% of total fund expenditures, while total fund balance represents 44.9% of the same amount.

The debt service fund had a total fund balance of \$2,004,034, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$4,970. Interest expenditures for the debt service fund decreased during the current period by \$(41,650) to \$635,498.

The pension obligation fund had a total fund balance of \$8,067,650, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$423,576. Interest expenditures for the pension obligation fund decreased during the current period by \$(292,422) to \$2,408,750.

The mental health services fund had a total fund balance of \$5,149,165. The net increase in fund balance during the current year was \$2,848,903, or 124%. This increase was due to CARES realignment backfill.

The road fund had a total fund balance of \$4,009,429. The net decrease for the year was \$(704,189), or (15)%. The decrease is due to completing multi-year road and bridge projects during FY 2020-21.

The mental health treatment fund had a total fund balance of \$26,951,085, with a net increase of \$8,432,301, or 46%, during the year. This increase is due to the continued receipt of sales tax proceeds in excess of expenditures.

The disaster recovery fund had a total fund balance deficit of \$(11,386,009), with a net decrease of \$(9,850,043), or (641)%, during the year. This decrease is due to unpaid COVID-19 FEMA (Federal Emergency Management Agency) eligible costs which have been submitted to FEMA and are awaiting final approval and payment.

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

The unrestricted net position of the internal service funds at the end of the year was \$2,694,365, a decrease of \$(4,318,964), or (62)%, from prior year, due to higher than expected self-insurance claims.

**General Fund Budgetary Highlights.** Differences between the original budget and final amended budget are summarized below:

- Increase Non-Departmental Revenue (BU 1000) budgeted revenues \$2,000,000 as follows:
  - \$1,000,000 for unanticipated increase in current secured property tax revenue.
  - \$1,000,000 for unanticipated increase in cannabis business tax revenue.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations \$6,675,000 as follows:
  - Capital improvements - \$2,550,000 for the COVID Alternate Care Site roof and related improvements; \$250,000 for Jail Expansion Project heat pump HVAC system; and \$1,950,000 for various other capital projects, including Phase 3 of the administration center roof and HVAC project.
  - Organizational development - \$1,000,000 for Justware case management software replacement; and \$250,000 for Office 365 upgrade for Cloud Integration.
  - Financial stability, sustainability, and recovery and resiliency - \$325,000 for recovery related to the 2020 fires; \$200,000 for HGMP Fire Mitigation Grant; \$100,000 matching funds for the Cannabis grant; and \$50,000 for the Potter Valley Project.
- Increase Miscellaneous Budget (BU 1940) budgeted appropriations \$3,461,432 as follows:
  - \$1,800,000 for COLA salary and benefits increases.
  - \$500,000 for salary compaction and alignment correction.
  - \$500,000 for salary bargaining unit side letter (FTO).
  - \$661,432 for correction to 2011 Realignment revenue to Community Corrections.
- Increase budgeted appropriations to various County departments to fund unanticipated COVID response, supplies and telework equipment funded by various CARES (Coronavirus Aid, Relief and Economic Security), FEMA and ELC (Epidemiology and Laboratory Capacity) program grants.

Differences between the final amended budget and year-end actuals are summarized below:

- Increase Non-Departmental Revenue (BU 1000) actual revenues by \$22,652,909 for a Prior Period Revenue from the PG&E Fire settlement.
- Increase Non-Departmental Revenue (BU 1000) actual revenues by \$7,172,512 (net) for unanticipated increases (and decreases) in various tax revenue.

**Capital Asset and Debt Administration.**

**Capital Assets.** The County's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$145,646,678 (net of accumulated depreciation).

This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was \$20,518,488 (16%). This overall increase was due to the completion of two bridge projects and facilities improvements. Additional details of capital assets are in Note 5.

<b>CAPITAL ASSETS</b>	2021	2020
Land	\$ 2,928,621	\$ 2,928,621
Structures and Improvements	41,861,858	38,021,098
Improvements Other than Buildings	994,896	1,232,366
Equipment	9,782,971	8,054,282
Infrastructure	59,857,159	56,365,036
Construction in Progress	30,221,173	18,526,787
Total Capital Assets	\$ 145,646,678	\$ 125,128,190

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Long-Term Debt.** At the end of the current fiscal year, the County has long-term debt outstanding of \$54,365,000.

<b>OUTSTANDING DEBT</b>	2021	2020
General Obligation Bonds	\$ 39,655,000	\$ 45,095,000
Certificates of Participation	14,710,000	15,940,000
Total	\$ 54,365,000	\$ 61,035,000

The County's total long-term debt decreased by \$6,670,000 (11%) during the current fiscal year. The key factor in this decrease was an increase in principal payments on both the pension obligation bonds and the certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its total assessed valuation of property within the County. The current assessed valuation is \$12,636,231,964 and the current debt limitation for the County is \$157,952,900.

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

**Economic Analysis and Next Year's Budget.** The County is committed to providing services with integrity, collaboration, professionalism, accountability and responsiveness, and these values are reflected in the Fiscal Year 2021-22 budget, which represents conservative growth compared to Fiscal Year 2020-21 budget. The County's conservative approach to budgeting has ensured its ability to sustain fiscal health in recent years and will be central to the County's ability to respond to the ongoing COVID-19 pandemic and other unplanned events, economic challenges and potential changes in State and Federal policy.

All of the factors listed below were considered in preparing the County's budget for the 2021-22 fiscal year.

- The ongoing COVID-19 pandemic and response.
- Salaries and Benefits. In FY 2019-20 the County entered into 3-year labor agreements with all eight bargaining units. Salary and benefit increases were made, based on a KOFF Compensation Study, bringing salaries closer to market. For FY 2021-22, salaries and benefits are budgeted at \$154,410,531, representing an increase of \$16,433,575 (12%) over the previous year. This projected increase is in part due to expected and/or planned filling vacant positions that resulted from the pandemic.
- Discretionary Revenue. Total FY 2021-22 projected discretionary (non-departmental) revenue is \$85,500,000, a \$9.6 million, or 13%, increase from prior year. The largest projected increases are property tax, \$2.8 million, or 8%, and cannabis business tax, \$2.5 million, or 63%, followed by room transient occupancy tax, \$1.6 million, or 63%, and sales & use tax, 1.6 million, or 26%.
- Prevention, Recovery, Resiliency and Mitigation (PRRM). Total FY 2021-22 projected disaster recovery revenue is \$6.3 million, a \$5.0 million decrease from prior year. The largest projected decreases are in federal other revenue, \$(3.0) million, and grant revenue, \$(1.5) million. Projected FY 2021-22 expenditures are \$8.1 million, a decrease of \$2.8 million from prior year. The County's disaster recovery fund and department were created in 2017 to manage and support the County's response to emergency services, disaster recovery, and resiliency, including emergency preparedness, emergency access routes, fuels reduction and forest

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

management. Since January 2020, Mendocino County has been part of a coordinated Public Health response involving the Federal Centers for Disease Control and Prevention (CDC) and the California Department of Public Health (CDPH). Since the start of the pandemic, the County has committed over 75,000 and counting staff hours for our efforts to protect human life and minimizing the strain on the health care system. Those response hours are equivalent to 35 FTE compared to the County's annual 1,000 FTE count. Disaster Recovery will continue to implement grant funded disaster recovery projects, such as hazardous tree removal, county-wide economic recovery and resiliency plan, shaded fuel break and fuel reduction in Ukiah Valley, and erosion prevention in the 2017 Redwood Complex Fire footprint along with initiating Phase II of the Redwood Valley County Water District Retrofit Project and completing the updates to the local hazard mitigation plan and General Plan Safety Element.

- Measure B. Total FY 2021-22 projected Measure B tax revenue is \$9.7 million, a \$1.0 million increase from prior year. Projected FY 2021-22 expenditures are \$4.2 million, a \$1.2 million increase from prior year. The voters of Mendocino County passed Measure B on November 7, 2017, for the creation of the Mental Health Treatment Fund, to provide services, treatment, and facilities for persons with mental health conditions, into which 100% of the Measure B tax revenue shall be deposited. For a period of five (5) years, a maximum of 75% of the revenue deposited into the Fund may be used for facilities with no less than 25% dedicated to services and treatment; thereafter, 100% of all revenue deposited into the Fund shall be used for ongoing operations, services, and treatment.
- Cannabis Management. The largest new program undertaken by the County in many years is the new Cannabis Management Program. Projected FY 2021-22 revenue has been conservatively budgeted at \$65,000, a decrease of (\$460,000) from prior year. The FY 2021-22 total Cannabis Management net appropriations are budgeted at \$851,990, an increase of \$29,818 over prior year. Toward the end of fiscal year 2020-2021, the County made the decision to turn the Cannabis Program into a stand-alone department. As a new department that has yet to establish its own fees, staff have not yet been able to realize department specific revenue. Yet as a transitioning entity, program staff collected the fees and oversaw the Tax Appeals process for the 2021 Cannabis Business Tax year, as well as fees associated with the processing of the County's Section 15168 Environmental Checklist, commonly known as Appendix G. The Cannabis Management Program also manages the Cannabis Equity Program, which is grant program funded by the State.

**Requests for Information.** The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mendocino County Auditor-Controller, 501 Low Gap Road, Room 1080, Ukiah, California 95482. This report is also available online at [www.mendocinocounty.org/government/auditor-controller](http://www.mendocinocounty.org/government/auditor-controller).



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





**COUNTY OF MENDOCINO  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 137,281,179
Cash with Fiscal Agent	8,833,638
Other Cash	87,668
Accounts Receivable	22,864,532
Due from Other Governments	9,276,398
Taxes Receivable	9,197,871
Inventories	904,630
Capital Assets:	
Nondepreciable	33,149,794
Depreciable, Net	112,496,884
Total Assets	334,092,594
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pensions	54,038,138
<b>LIABILITIES</b>	
Accounts Payable	15,696,043
Salaries and Benefits Payable	6,707,214
Interest Payable	1,099,205
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,280,000
Bonds Payable	5,740,000
Closure/Post-Closure Liability	498,155
Liability for Compensated Absences	5,729,504
Claims Liability	4,435,191
Portion Due or Payable After One Year:	
Certificates of Participation	13,430,000
Bonds Payable	33,915,000
Closure/Post-Closure Liability	8,708,000
Net Pension Liability	247,246,342
Total Liabilities	344,484,654
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pensions	41,617
<b>NET POSITION</b>	
Net Investment in Capital Assets	129,961,434
Permanently Restricted for Endowments	566,971
Temporarily Restricted for:	
Legally Segregated Taxes, Grants, and Fees	95,481,994
Debt Service and Capital Projects	8,972,479
Unrestricted	(191,378,417)
Total Net Position	\$ 43,604,461

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities:					
General Government	\$ 22,850,862	\$ 4,024,452	\$ 7,394,174	\$ -	\$ (11,432,236)
Public Protection	84,641,799	9,045,490	31,221,544	-	(44,374,765)
Public Ways and Facilities	22,349,873	481,684	11,654,768	3,404,935	(6,808,486)
Health and Sanitation	70,043,960	7,933,991	55,701,082	-	(6,408,887)
Public Assistance	80,229,727	619,931	71,406,932	-	(8,202,864)
Education	3,936,977	787,479	85,341	-	(3,064,157)
Recreation and Culture	616,849	9,644	-	-	(607,205)
Debt Service:					
Interest	2,922,873	-	-	-	(2,922,873)
Total Governmental Activities	<u>\$ 287,592,920</u>	<u>\$ 22,902,671</u>	<u>\$ 177,463,841</u>	<u>\$ 3,404,935</u>	(83,821,473)
<b>GENERAL REVENUES</b>					
Taxes:					
Property Taxes					55,714,699
Sales and Use Taxes					31,030,406
Transient Occupancy Tax					7,960,905
Other					6,726,963
Unrestricted Interest and Investment Earnings					549,173
Miscellaneous					2,374,770
Total General Revenues					<u>104,356,916</u>
<b>CHANGE IN NET POSITION</b>					
20,535,443					
Net Position - Beginning of Year, Restated					
<u>23,069,018</u>					
<b>NET POSITION - END OF YEAR</b>					
<u>\$ 43,604,461</u>					

See accompanying Notes to Financial Statements.

**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

**COUNTY OF MENDOCINO**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
<b>ASSETS</b>				
Pooled Cash and Investments in Treasury	\$ 67,240,241	\$ 21,360	\$ 1,193,264	\$ 9,518,457
Restricted Assets:				
Cash with Fiscal Agent	-	1,959,252	6,874,386	-
Imprest Cash	5,414	-	-	-
Accounts Receivable	3,864,912	-	-	4,149,854
Taxes Receivable	7,186,541	-	-	-
Due from Other Governments	6,135,219	23,422	-	40,246
Inventory	263,472	-	-	-
Due from Other Funds	10,997,778	-	-	-
	<u>\$ 95,693,577</u>	<u>\$ 2,004,034</u>	<u>\$ 8,067,650</u>	<u>\$ 13,708,557</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,683,214	\$ -	\$ -	\$ 4,271,211
Accrued Salaries and Benefits	5,874,305	-	-	158,644
Due to Other Funds	-	-	-	-
Total Liabilities	<u>11,557,519</u>	<u>-</u>	<u>-</u>	<u>4,429,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	3,149,184	-	-	4,129,537
Total Deferred Inflows of Resources	<u>3,149,184</u>	<u>-</u>	<u>-</u>	<u>4,129,537</u>
<b>FUND BALANCES</b>				
Nonspendable	263,472	-	-	-
Restricted	8,714,288	2,004,034	8,067,650	5,149,165
Assigned	50,403,951	-	-	-
Unassigned	21,605,163	-	-	-
Total Fund Balances	<u>80,986,874</u>	<u>2,004,034</u>	<u>8,067,650</u>	<u>5,149,165</u>
	<u>\$ 95,693,577</u>	<u>\$ 2,004,034</u>	<u>\$ 8,067,650</u>	<u>\$ 13,708,557</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 95,693,577</u>	<u>\$ 2,004,034</u>	<u>\$ 8,067,650</u>	<u>\$ 13,708,557</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Road	Mental Health Treatment	Disaster Recovery Fund	Other Governmental Funds	Total
<b>ASSETS</b>					
Pooled Cash and Investments in Treasury	\$ 2,218,030	\$ 24,841,883	\$ -	\$ 23,837,901	\$ 128,871,136
Restricted Assets:					
Cash with Fiscal Agent	-	-	-	-	8,833,638
Imprest Cash	50	-	-	595	6,059
Accounts Receivable	4,675,514	-	8,663,071	1,498,809	22,852,160
Taxes Receivable	223,280	1,275,914	-	512,136	9,197,871
Due from Other Governments	1,743,675	833,327	1,315	499,194	9,276,398
Inventory	641,158	-	-	-	904,630
Due from Other Funds	-	-	-	-	10,997,778
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,997,778</u>
Total Assets	<u>\$ 9,501,707</u>	<u>\$ 26,951,124</u>	<u>\$ 8,664,386</u>	<u>\$ 26,348,635</u>	<u>\$ 190,939,670</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 480,923	\$ 39	\$ 1,161,811	\$ 3,604,139	\$ 15,201,337
Accrued Salaries and Benefits	342,455	-	24,806	264,129	6,664,339
Due to Other Funds	-	-	10,200,707	-	10,200,707
Total Liabilities	<u>823,378</u>	<u>39</u>	<u>11,387,324</u>	<u>3,868,268</u>	<u>32,066,383</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	4,668,900	-	8,663,071	1,009,667	21,620,359
Total Deferred Inflows of Resources	<u>4,668,900</u>	<u>-</u>	<u>8,663,071</u>	<u>1,009,667</u>	<u>21,620,359</u>
<b>FUND BALANCES</b>					
Nonspendable	641,158	-	-	566,971	1,471,601
Restricted	3,368,271	26,951,085	4,981,496	19,782,258	79,018,247
Assigned	-	-	-	1,121,471	51,525,422
Unassigned	-	-	(16,367,505)	-	5,237,658
Total Fund Balances	<u>4,009,429</u>	<u>26,951,085</u>	<u>(11,386,009)</u>	<u>21,470,700</u>	<u>137,252,928</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,501,707</u>	<u>\$ 26,951,124</u>	<u>\$ 8,664,386</u>	<u>\$ 26,348,635</u>	<u>\$ 190,939,670</u>

See accompanying Notes to Basic Financial Statements.



**COUNTY OF MENDOCINO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
JUNE 30, 2021**

**Fund Balance - Total Governmental Funds** \$ 137,252,928

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

Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds. 21,620,359

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 143,137,748

Deferred outflows of resources reported in the Statement of Net Position. 54,038,138

Internal service funds are used by the County to charge the cost of insurance, software acquisition and vehicle replacement services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: 5,203,295

Deferred inflows of resources reported in the statement of net position. (41,617)

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

Bonds Payable	(39,655,000)
Certificates of Participation	(14,710,000)
Accrued Interest on Long-Term Debt	(1,099,205)
Compensated Absences	(5,689,688)
Pension Liability	(247,246,342)
Landfill Closure/Post Closure Care Costs	(9,206,155)
	(9,206,155)

**Net Position of Governmental Activities** \$ 43,604,461

**COUNTY OF MENDOCINO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
<b>REVENUES</b>				
Taxes	\$ 87,403,634	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	4,961,346	-	-	-
Intergovernmental	100,836,364	35,703	-	25,752,998
Revenue from Use of Money and Property	761,016	(4,710)	(32,537)	4,696
Fines, Forfeitures, and Penalties	916,522	7,800	-	-
Charges for Services	12,346,360	-	-	1,918,576
Other Revenues	1,742,247	-	467,342	112,286
Total Revenues	<u>208,967,489</u>	<u>38,793</u>	<u>434,805</u>	<u>27,788,556</u>
<b>EXPENDITURES</b>				
Current:				
General Government	18,765,027	3,425	3,649	-
Public Protection	67,434,210	-	-	-
Public Ways and Facilities	780,834	-	-	-
Health and Sanitation	14,621,885	-	-	25,005,874
Public Assistance	74,874,928	-	-	-
Education	182,341	-	-	-
Recreation and Culture	540,699	-	-	-
Debt Service:				
Principal	-	1,230,000	5,440,000	-
Interest	36,753	635,498	2,408,750	-
Capital Outlay	3,223,702	-	-	-
Total Expenditures	<u>180,460,379</u>	<u>1,868,923</u>	<u>7,852,399</u>	<u>25,005,874</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	28,507,110	(1,830,130)	(7,417,594)	2,782,682
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,974,531	1,835,100	7,841,170	300,000
Transfers out	(27,533,843)	-	-	(233,779)
Total Other Financing Sources (Uses)	<u>(20,559,312)</u>	<u>1,835,100</u>	<u>7,841,170</u>	<u>66,221</u>
<b>NET CHANGES IN FUND BALANCES</b>	7,947,798	4,970	423,576	2,848,903
Fund Balances - Beginning of Year, Restated	<u>73,039,076</u>	<u>1,999,064</u>	<u>7,644,074</u>	<u>2,300,262</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 80,986,874</u>	<u>\$ 2,004,034</u>	<u>\$ 8,067,650</u>	<u>\$ 5,149,165</u>

See accompanying Notes to Basic Financial Statements.



**COUNTY OF MENDOCINO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Road	Mental Health Treatment	Disaster Recovery Fund	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 52,319	\$ 10,848,181	\$ -	\$ 3,128,839	\$ 101,432,973
Licenses, Permits, and Franchises	157,801	-	-	358,205	5,477,352
Intergovernmental	16,036,616	-	13,901,273	17,077,105	173,640,059
Revenue from Use of Money and Property	(78,136)	72,107	-	(130,348)	592,088
Fines, Forfeitures, and Penalties	32,615	-	-	21,188	978,125
Charges for Services	291,268	-	-	1,872,122	16,428,326
Other Revenues	13,318	-	5,600	33,977	2,374,770
Total Revenues	<u>16,505,801</u>	<u>10,920,288</u>	<u>13,906,873</u>	<u>22,361,088</u>	<u>300,923,693</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	261,548	19,033,649
Public Protection	-	-	5,707,961	2,297,893	75,440,064
Public Ways and Facilities	21,024,918	-	-	51,665	21,857,417
Health and Sanitation	-	159,834	-	28,168,329	67,955,922
Public Assistance	-	-	-	109,646	74,984,574
Education	-	-	-	3,366,356	3,548,697
Recreation and Culture	-	-	-	376	541,075
Debt Service:					
Principal	-	-	-	-	6,670,000
Interest	-	-	-	-	3,081,001
Capital Outlay	-	-	-	16,873,585	20,097,287
Total Expenditures	<u>21,024,918</u>	<u>159,834</u>	<u>5,707,961</u>	<u>51,129,398</u>	<u>293,209,686</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,519,117)	10,760,454	8,198,912	(28,768,310)	7,714,007
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,981,757	-	2,426,745	31,072,951	54,432,254
Transfers out	(437,604)	(2,328,153)	(20,475,700)	(5,422,696)	(56,431,775)
Total Other Financing Sources (Uses)	<u>3,544,153</u>	<u>(2,328,153)</u>	<u>(18,048,955)</u>	<u>25,650,255</u>	<u>(1,999,521)</u>
<b>NET CHANGES IN FUND BALANCES</b>	(974,964)	8,432,301	(9,850,043)	(3,118,055)	5,714,486
Fund Balances - Beginning of Year, Restated	<u>4,984,393</u>	<u>18,518,784</u>	<u>(1,535,966)</u>	<u>24,588,755</u>	<u>131,538,442</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,009,429</u>	<u>\$ 26,951,085</u>	<u>\$ (11,386,009)</u>	<u>\$ 21,470,700</u>	<u>\$ 137,252,928</u>

See accompanying Notes to Basic Financial Statements.



**COUNTY OF MENDOCINO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

**Net Change to Fund Balance - Total Governmental Funds** \$ 5,714,486

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	\$ 25,566,378	
Less: Current Year Depreciation	<u>(7,043,514)</u>	18,522,864

Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.		7,247,585
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal and Refunded Debt Repayments:		
Bonds Payable	5,440,000	
Certificates of Participation	<u>1,230,000</u>	6,670,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Accrued Interest on Long-Term Debt	158,128	
Change in Compensated Absences	(908,753)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(14,977,727)	
Change in Liability for Closure/Post Closure Care	<u>432,200</u>	(15,296,152)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.		<u>(2,323,340)</u>
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**Change in Net Position of Governmental Activities** \$ 20,535,443

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
JUNE 30, 2021**

		Governmental Activities
		Internal Service Funds
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Pooled Cash and Investments in Treasury	\$	8,403,984
Other Cash		87,668
Accounts Receivable		12,372
Total Current Assets		8,504,024
<b>NONCURRENT ASSETS</b>		
Capital Assets:		
Depreciable, Net		2,508,930
Total Noncurrent Assets		2,508,930
Total Assets		\$ 11,012,954
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$	494,706
Accrued Salaries and Benefits		42,875
Due to Other Funds		797,071
Compensated Absences		39,816
Liability for Unpaid Claims		4,435,191
Total Liabilities		5,809,659
<b>NET POSITION</b>		
Investment in Capital Assets		2,508,930
Unrestricted		2,694,365
Total Net Position		5,203,295
Total Liabilities and Net Position		\$ 11,012,954

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 22,300,098
Other Revenues	95,261
Total Operating Revenues	22,395,359
<b>OPERATING EXPENSES</b>	
Salaries and Employee Benefits	819,545
Services and Supplies	2,407,195
Insurance	7,120,946
Depreciation	328,054
Claims and Judgments	16,006,533
Total Operating Expenses	26,682,273
<b>OPERATING INCOME (LOSS)</b>	(4,286,914)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Other Revenue	6,968
Interest Revenue (Expense)	(42,915)
Total Nonoperating Revenues (Expenses)	(35,947)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(4,322,861)
<b>TRANSFERS IN</b>	2,617,931
<b>TRANSFERS OUT</b>	(618,410)
<b>CHANGE IN NET POSITION</b>	(2,323,340)
Net Position - Beginning of Year	7,526,635
<b>NET POSITION - END OF YEAR</b>	\$ 5,203,295

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Receipts from Interfund Services Provided	\$ 22,751,620
Cash Paid to Employees for Services	(817,649)
Cash Paid to Suppliers for Goods and Services	<u>(26,148,575)</u>
Net Cash Provided (Used) by Operating Activities	(4,214,604)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Noncapital Other Contributions	6,968
Transfers In	3,415,002
Transfers Out	<u>(618,410)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	2,803,560
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	<u>(2,323,678)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>(42,915)</u>
Net Cash Provided (Used) by Investing Activities	<u>(42,915)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	<u>12,269,289</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,491,652</u>
Pooled Cash and Investments in Treasury	\$ 8,403,984
Other Cash	<u>87,668</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 8,491,652</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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

Operating Income (Loss)	\$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	328,054
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	356,261
Increase (Decrease) in:	
Accounts Payable	(400,084)
Accrued Salaries	3,500
Compensated Absences	(1,604)
Claims Liability	(213,817)
Net Cash Provided (Used) by Operating Activities	<u>\$ (4,214,604)</u>

*See accompanying Notes to Basic Financial Statements.*

**COUNTY OF MENDOCINO**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2021**

	<u>Investment Trust</u>	<u>Custodial Funds</u>	<u>Pension Trust Fund</u>
<b>ASSETS</b>			
Cash and Investments in Treasury	\$ 213,950,966	\$ 7,962,693	\$ 110,149
Investments:			
Fixed Income	-	-	147,615,144
Domestic Equities			272,657,303
International Equities			193,415,783
Real Estate Partnerships			64,005,697
Infrastructure			16,418,290
Real Estate - 625 Kings Court, Ukiah, CA			1,750,000
Accounts Receivable	-	-	1,749,611
Taxes Receivable	-	11,525,008	-
Other Assets	-	-	238,149
Total Assets	<u>213,950,966</u>	<u>19,487,701</u>	<u>697,960,126</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	-	-	1,518,824
Due to Other Governments	-	1,222,112	-
Total Liabilities	<u>-</u>	<u>1,222,112</u>	<u>1,518,824</u>
<b>NET POSITION</b>			
Restricted for:			
Pensions	-	-	696,441,302
Pool Participants	213,950,966	-	-
Individuals, Organizations, and Other Governments	-	18,265,589	-
Total Net Position	<u>\$ 213,950,966</u>	<u>\$ 18,265,589</u>	<u>\$ 696,441,302</u>

See accompanying Notes to Basic Financial Statements.



**COUNTY OF MENDOCINO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Investment Trust</u>	<u>Custodial Funds</u>	<u>Pension Trust Fund</u>
<b>ADDITIONS</b>			
Contributions:			
Employer Contributions	\$ -	\$ -	\$ 26,333,815
Member Contributions	-	-	7,053,907
Contributions on Pooled Investments	336,825,203	-	-
Taxes Collected for Other Governments	-	248,651,579	-
Interest and Investment Income - Net	(12,250)	77,058	166,513,422
Total Additions	<u>336,812,953</u>	<u>248,728,637</u>	<u>199,901,144</u>
<b>DEDUCTIONS</b>			
Benefit Payments	-	-	41,076,641
Administrative Expenses	-	-	1,372,414
Taxes Distributed to Other Governments	-	245,323,896	-
Distributions from Investment Pool	328,977,774	-	-
Total Deductions	<u>328,977,774</u>	<u>245,323,896</u>	<u>42,449,055</u>
<b>CHANGE IN NET POSITION</b>	7,835,179	3,404,741	157,452,089
Net Position - Beginning of Year, Restated	<u>206,115,787</u>	<u>14,860,848</u>	<u>538,989,213</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 213,950,966</u>	<u>\$ 18,265,589</u>	<u>\$ 696,441,302</u>

See accompanying Notes to Basic Financial Statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**

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



**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. The Financial Reporting Entity**

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

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

Blended Component Units

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

Discretely Presented Component Units

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

Fiduciary Component Units

The County pension plan is administered by the Mendocino County Employee's Retirement Association (MCERA), which was established on January 1, 1948, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County. MCERA is reported in the Pension Trust Fund on the Statement of Fiduciary Net Position – Fiduciary Funds of the basic financial statements and has been included because there is a financial benefit or burden relationship and the County appoints a voting majority of the Board. See note 9 for further disclosures related to the pension plan.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

Government-Wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities that report information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities; interfund services provided and used are not eliminated in the process of consolidation.

These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. At June 30, 2021, the County had no business-type activities.

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – *governmental*, *proprietary*, and *fiduciary* – even though the latter are excluded from the government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a single column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

*Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreational services.
- The *Debt Service Fund* is used to accumulate funds for the payment of debt service on the Certificates of Participation.
- The *Pension Obligation Bonds Fund* is used to accumulate funds for the payment of debt service on the Pension Obligation Bonds. Deposits are made on each pay period from amounts charged to the individual departments, based on retirement participation.
- The *Mental Health Services Fund* is a special revenue fund whose revenues are legally restricted for specified mental health purposes. The financial activities of the Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003. Revenues consist primarily of intergovernmental revenues and charges for services.
- The *Road Fund* is a special revenue fund that provides for planning, design, construction, maintenance, and administration of County maintained roads. Revenues consist primarily of highway user taxes and other intergovernmental revenues.
- The *Mental Health Treatment Fund* is a sales tax special revenue fund entirely dedicated to improve services, treatment and facilities for persons with mental health conditions.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

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

The County reports the following additional fund types:

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

**C. Measurement Focus and Basis of Accounting**

The government-wide, and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.



**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be measurable and available. All other revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded as expenditures only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Fiduciary funds include trust funds and custodial funds. All fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**D. Cash and Investments**

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

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

**E. Cash and Cash Equivalents**

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Receivables**

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

**G. Inventories**

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

**H. Restricted Assets**

The County has \$8,833,638 restricted cash deposited with fiscal agents to meet Certificates of Participation, Pension Obligation Bond and other long-term debt reserve fund requirements.

**I. Net Position/Fund Balance**

**Net Position**

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

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

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Net Position/Fund Balance (Continued)**

**Fund Balances**

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

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

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

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Property Tax Revenue**

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

Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all of the current tax levy is distributed to all participating entities.

The County then receives delinquent penalties and fees on the entire participating tax roll.

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

**K. Capital Assets**

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

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

The estimated useful lives are as follows:

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item, pension, which qualifies for reporting in this category.

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

**M. Pensions**

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

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

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Pensions (Continued)**

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

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

**N. Interfund Transactions**

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

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Estimates**

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

**P. Current Governmental Accounting Standards Board (GASB) Pronouncements**

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2019. The County of Mendocino implemented this statement for the year ended June 30, 2021. As a result fund balance/net position of governmental and fiduciary funds was restated at the beginning of the year, see Note 8.

**NOTE 2 CASH AND INVESTMENTS**

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

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

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

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

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

At June 30, 2021, total County cash and investments were as follows:

Cash:	
Cash on Hand	\$ 3,211,262
Imprest Cash	6,059
Other Cash	87,668
Deposits Less Outstanding Warrants	<u>24,829,288</u>
Total Cash	<u>28,134,277</u>
Investments:	
In Treasurer's Pool	331,258,378
With Fiscal Agents	8,833,638
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	<u>695,862,217</u>
Total Investments	<u>1,035,954,233</u>
Total Cash and Investments	<u><u>\$ 1,064,088,510</u></u>

Total cash and investments at June 30, 2021, were presented on the County's financial statements as follows:

Primary Government	\$ 146,202,485
Investment Trust Fund	213,950,966
Pension Trust Fund	695,972,366
Custodial Funds	<u>7,962,693</u>
Total Cash and Investments	<u><u>\$ 1,064,088,510</u></u>

**Deposits – Custodial Risk**

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

At June 30, 2021, the carrying value of the County's deposits was \$24,829,288 and the bank balance was \$29,378,734. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Corporation (FDIC) and the remainder was covered by the multiple financial institution collateral pool that insures public deposits.



**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

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

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

At June 30, 2021, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Fair Value</u>	<u>WAM (Years)</u>
Investment Pool:					
Federal Agency					
Obligations	0.21% - 2.86%	7/14/2021 - 2/26/2024	120,827,572	121,968,885	1.73
Treasury Obligations	0.15% - 2.53%	8/31/2021 - 4/30/2025	76,707,672	77,368,634	2.19
Medium Term Corporate					
Notes	0.39% - 3.05%	1/24/2022 - 2/16/2025	23,733,919	24,066,675	2.06
Commercial Paper	0.22% - 0.25%	8/3/2021 - 1/21/2022	5,990,506	5,996,590	0.25
Supranational	0.21% - 0.25%	7/20/2021 - 11/24/2023	13,569,471	13,812,994	1.32
Time Deposit	0.50% - 0.55%	3/3/2022 - 3/20/2022	500,000	500,000	0.70
Certificate of Deposit	0.24% - 0.28%	11/24/2021 - 4/28/2022	3,750,000	3,750,642	0.60
Money Market Mutual					
Funds	Variable	On Demand	793,958	793,958	
California Local Agency					
Investment Fund (LAIF)	Variable	On Demand	75,000,000	75,000,000	
California Asset					
Management Program	Variable	On Demand	8,000,000	8,000,000	
			<u>328,873,098</u>	<u>331,258,378</u>	
Investments Outside					
Investment Pool:					
Cash Held with Fiscal					
Agent					
Pension Trust Fund					
(Held by MCERA)	Variable	N/A	695,862,217	695,862,217	
Money Market Mutual					
Funds	Variable	On Demand	8,833,638	8,833,638	
Total Investments			<u>\$ 1,033,568,953</u>	<u>\$ 1,035,954,233</u>	

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

**Interest Rate Risk**

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk**

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

**Concentration of Credit Risk**

At June 30, 2021, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: 13.83% (\$45,823,504) Federal Farm Credit Bank, 11.05% (\$36,607,990), Federal Home Loan Mortgage Corp, 6.13% (\$20,314,434) Federal National Mortgage Association, and 5.81% (\$19,230,108) Federal Home Loan Banks.

**Fair Value Measurements**

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

*Level 1* - Investments reflect prices quoted in active markets;

*Level 2* - Inputs to the valuation methodology include:

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

*Level 3* - Investments reflect prices based upon unobservable sources.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

The pool has the following recurring fair value measurements as of June 30, 2021:

	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Federal Agency Obligations	\$ 121,968,885	\$ -	\$ 121,968,885	\$ -
Treasury Obligations	77,368,634	-	77,368,634	-
Medium Term Corporate Notes	24,066,675	-	24,066,675	-
Commercial Paper	5,996,590	-	5,996,590	-
Supranational	13,812,994	-	13,812,994	-
Certificate of Deposit	3,750,642	-	3,750,642	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	793,958	793,958	-	-
<b>Total Investments Measured at Fair Value</b>	<b>248,258,378</b>	<b>\$ 1,293,958</b>	<b>\$ 246,964,420</b>	<b>\$ -</b>
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	75,000,000			
California Asset Management Program	8,000,000			
<b>Total Pooled and Directed Investments</b>	<b>\$ 331,258,378</b>			

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's carrying value at June 30, 2021:

	<u>Moody's</u>	<u>S &amp; P</u>	<u>% of Portfolio</u>
Investments in Investment Pool:			
Federal agency obligations	Unrated	Unrated	35.61%
Federal agency obligations	Unrated	Unrated	1.21%
Treasury obligations	Unrated	Unrated	23.36%
Medium term notes	A1	A+	2.04%
Medium term notes	A2	A	2.38%
Medium term notes	A2	A-	1.15%
Medium term notes	Aa1	AA+	0.62%
Medium term notes	Aa2	AA	0.47%
Medium term notes	Aa3	A	0.60%
Money market mutual funds	Aaa	AAA	0.24%
Supranational	Aaa	AAA	4.17%
Time Deposit	Unrated	Unrated	0.15%
Commercial Paper	P-1	A-1	1.21%
Commercial Paper	P-1	A-1+	0.60%
Certificate of Deposit	P-1	A-1	1.13%
California Local Agency Investment Fund			
State Pool	Unrated	Unrated	22.64%
Public Financial Management CAMP	Unrated	AAA	2.42%
			<u>100.00%</u>

**Custodial Credit Risk**

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

**Local Agency Investment Fund**

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Local Agency Investment Fund (Continued)**

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

At June 30, 2021, the County's investment position in the state of California Local Agency Investment Fund (LAIF) was \$75 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$193.46 billion. Of that amount, 2.31% was invested in structured notes and asset-backed securities with the remaining 97.69% invested in other nonderivative financial products.

**County Investment Pool Condensed Financial Statements**

The following represents a condensed statement of net position and changes in net position for the investment pool as of June 30, 2021:

**Statement of Net Position**

Net Position Held for Pool Participants	<u>\$ 359,298,928</u>
Equity of Internal Pool Participants	\$ 145,347,962
Equity of External Pool Participants	<u>213,950,966</u>
Total Net Position	<u>\$ 359,298,928</u>

**Statement of Changes in Net Position**

Net Position for Pool Participants at July 1, 2020	\$ 317,849,664
Net Change in Investments by Pool Participants	<u>41,449,264</u>
Net Position at June 30, 2021	<u>\$ 359,298,928</u>

**NOTE 3 ENDOWMENTS**

For the year ended June 30, 2021, the net appreciation on investments of donor-restricted endowments was \$4,650. Under local ordinances and state statutes, the County is authorized based on a total-return policy to spend the appreciation on the supplies and maintenance of the community libraries and museums.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 INTERFUND TRANSACTIONS**

**Transfers**

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 1,785,361
	Pension Obligation Bonds Fund	6,924,488
	Road Fund	3,766,860
	Internal Service Funds	2,599,523
	Disaster Recovery	2,303,285
	Other Governmental Funds	<u>10,154,326</u>
		27,533,843
Mental Health Services Fund	General Fund	4,667
	Pension Obligation Bonds Fund	179,373
	Debt Service Fund	<u>49,739</u>
		233,779
Roads Fund	General Fund	50,304
	Pension Obligation Bonds Fund	<u>387,300</u>
		437,604
Mental Health Treatment Fund	Pension Obligation Bonds Fund	4,844
	Other Governmental Funds	<u>2,323,309</u>
		2,328,153
Disaster Recovery Fund	General Fund	4,245,906
	Pension Obligation Bonds Fund	22,361
	Internal Service Funds	18,408
	Other Governmental Funds	<u>16,189,025</u>
		<u>20,475,700</u>
Nonmajor Governmental Funds	General Fund	2,320,149
	Mental Health Services Fund	300,000
	Pension Obligation Bonds Fund	272,796
	Disaster Recovery	123,460
	Other Governmental Funds	<u>2,406,291</u>
		<u>5,422,696</u>
Internal Service Funds	General Fund	353,506
	Road Fund	214,897
	Pension Obligation Bonds Fund	<u>50,007</u>
		<u>618,410</u>
Total		<u><u>\$ 57,050,185</u></u>

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020 (Restated)	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2021
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,928,621	\$ -	\$ -	\$ -	\$ 2,928,621
Construction in Progress	18,526,787	23,877,465	-	(12,183,079)	30,221,173
Total Capital Assets, Not Being Depreciated	<u>21,455,408</u>	<u>23,877,465</u>	<u>-</u>	<u>(12,183,079)</u>	<u>33,149,794</u>
Capital Assets, Being Depreciated:					
Infrastructure	105,953,983	-	-	6,127,072	112,081,055
Structures and Improvements	86,853,778	-	-	6,056,007	92,909,785
Equipment	38,689,747	4,047,109	(507,912)	-	42,228,944
Improvements Other than Buildings	6,112,950	-	-	-	6,112,950
Total Capital Assets, Being Depreciated	<u>237,610,458</u>	<u>4,047,109</u>	<u>(507,912)</u>	<u>12,183,079</u>	<u>253,332,734</u>
Less Accumulated Depreciation for:					
Infrastructure	(49,588,947)	(2,634,949)	-	-	(52,223,896)
Structures and Improvements	(48,832,680)	(2,215,247)	-	-	(51,047,927)
Equipment	(30,635,465)	(2,283,902)	473,394	-	(32,445,973)
Improvements Other than Buildings	(4,880,584)	(237,470)	-	-	(5,118,054)
Total Accumulated Depreciation	<u>(133,937,676)</u>	<u>(7,371,568)</u>	<u>473,394</u>	<u>-</u>	<u>(140,835,850)</u>
Total Capital Assets, Being Depreciated, Net	<u>103,672,782</u>	<u>(3,324,459)</u>	<u>(34,518)</u>	<u>12,183,079</u>	<u>112,496,884</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,128,190</u>	<u>\$ 20,553,006</u>	<u>\$ (34,518)</u>	<u>\$ -</u>	<u>\$ 145,646,678</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,536,549
Public Protection	1,107,464
Public Ways and Facilities	3,336,509
Health and Sanitation	444,229
Public Assistance	490,899
Education	92,194
Recreation and Culture	35,670
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	<u>328,054</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 7,371,568</u>



**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES**

Individual issues of loans, bonds and certificates of participation outstanding at June 30, 2021, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2021
<b>Governmental Activities:</b>					
Taxable Pension Obligation Bonds:					
2002 Series (Issued to Partially Refund the 1996 Series and to Meet the Net Pension Obligation of the County's Retirement Plan)	7/01/2004 - 7/1/2026	2.07% - 5.77%	\$885,000 - \$7,560,000	\$ 91,945,000	\$39,655,000
Refunding Certificates of Participation:					
2012 Series (Issued to Refund 2002 and 2000 Series COPs that funded the construction of capital assets)	7/15/2012 - 7/15/2030	1.00% - 4.30%	\$975,000 - \$1,830,000	\$ 25,810,000	\$ 14,710,000

**A. Summary of Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Refunding Certificates of Participation	\$ 15,940,000	\$ -	\$ (1,230,000)	\$ 14,710,000	\$ 1,280,000
Bonds Payable	45,095,000	-	(5,440,000)	39,655,000	5,740,000
Compensated Absences	4,822,355	2,439,100	(1,531,951)	5,729,504	5,729,504
Liability for Self-Insurance	4,649,008	16,006,533	(16,220,350)	4,435,191	4,435,191
Landfill Postclosure Costs	9,638,355	-	(432,200)	9,206,155	498,155
Total Governmental Activities	\$ 80,144,718	\$ 18,445,633	\$ (24,854,501)	\$ 73,735,850	\$ 17,682,850

As of June 30, 2021, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30,	Governmental Activities			
	Certificate of Participation		Bonds Payable	
	Principal	Interest	Principal	Interest
2022	\$ 1,280,000	\$ 589,372	\$ 5,740,000	\$ 2,100,182
2023	1,325,000	544,572	6,055,000	1,774,640
2024	2,155,000	494,886	6,390,000	1,423,170
2025	1,500,000	408,684	6,760,000	1,043,793
2026	1,560,000	348,686	7,150,000	642,490
2027-2030	6,890,000	738,858	7,560,000	218,106
Total	\$ 14,710,000	\$ 3,125,058	\$ 39,655,000	\$ 7,202,381

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**B. Leases**

Operating Leases

The County has signed several operating leases, primarily for office buildings. Terms of the leases are month-to-month or contain early termination clauses. Because of this, the County does not have a definite noncancelable commitment from the various leases. Rental expenditures were approximately \$1,292,000 during the year ended June 30, 2021.

**C. Compensated Absences**

Vacation – employees accrue vacation at varying rates depending on the length of an employee’s service. Upon termination unused vacation, up to accrual limits, is paid off in cash. Sick leave – all employees accrue sick leave at the rate of 15 days per year. Sick leave may be accrued without limit. Upon termination, unused sick leave will be applied toward length of service for retirement credit. Holidays must be taken within the calendar year and are not accruable. The County records the gross vacation liability. At fiscal year end, the total liability for compensated absences was \$5,729,504. Based on historical experience County employees utilize substantially all accrued compensated absences within the following fiscal year. As such, the County considers the entire balance of compensated absences liability to be current.

**NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal law and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$9,206,155 reported as landfill closure/postclosure liability at June 30, 2021, represents the cumulative amount reported to date based on the use of various percents of the estimated capacity of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

Location	Ownership of Landfill	Percent Filled	Year of Closure	Estimated Liability at June 30, 2021
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	1994	\$ 1,269,571
South Coast Landfill	Mendocino County	100%	Pending	5,752,491
Laytonville Landfill	Mendocino County	100%	1997	2,184,093
Total				<u>\$ 9,206,155</u>

**COUNTY OF MENDOCINO  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2021**

**NOTE 7 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, 2021, investments of \$4,434,249 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.

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

**NOTE 8 NET POSITION/FUND BALANCES**

**Net Position**

Net investment in capital assets was comprised of the following:

	Governmental Activities
Capital Assets Net of Accumulated Depreciation	\$ 145,646,678
Outstanding Principal of Capital-Related Debt	(14,710,000)
Capital-Related AP	(975,244)
Net Position, Net Investment in Capital Assets	<u>\$ 129,961,434</u>

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)**

**Fund Balances**

Details of the fund balance classifications of governmental funds as of June 30, 2021 are as follows:

	General	Debt Service	Pension Obligation Bonds	Mental Health Services	Road	Mental Health Treatment	Disaster Recover	Other Governmental Funds	Total
<b>Nonspendable</b>									
Inventory	\$ 263,472	\$ -	\$ -	\$ -	\$ 641,158	\$ -	\$ -	\$ -	\$ 904,630
Endowments	-	-	-	-	-	-	-	566,971	566,971
Total Nonspendable	263,472	-	-	-	641,158	-	-	566,971	1,471,601
<b>Restricted for:</b>									
Road Projects	-	-	-	-	3,368,271	-	-	-	3,368,271
Public Protection	4,754,807	-	-	-	-	-	-	-	4,754,807
Public Assistance	3,563,156	-	-	-	-	-	-	-	3,563,156
Health Services	396,325	-	-	-	-	-	-	10,501,588	10,897,913
Mental Health	-	-	-	5,149,165	-	26,951,085	4,981,496	-	37,081,746
Special Districts	-	-	-	-	-	-	-	1,621,113	1,621,113
Various Grant Programs	-	-	-	-	-	-	-	7,659,557	7,659,557
Debt Service	-	2,004,034	8,067,650	-	-	-	-	-	10,071,684
Total Restricted	8,714,288	2,004,034	8,067,650	5,149,165	3,368,271	26,951,085	4,981,496	19,782,258	79,018,247
<b>Assigned:</b>									
Retirement	4,500,000	-	-	-	-	-	-	-	4,500,000
General reserve	12,287,010	-	-	-	-	-	-	-	12,287,010
Contracted services	33,616,941	-	-	-	-	-	-	1,121,471	34,738,412
Total Assigned	50,403,951	-	-	-	-	-	-	1,121,471	51,525,422
<b>Unassigned</b>	21,605,163	-	-	-	-	-	(16,367,505)	-	5,237,658
<b>Total Fund Balance</b>	<b>\$ 80,986,874</b>	<b>\$ 2,004,034</b>	<b>\$ 8,067,650</b>	<b>\$ 5,149,165</b>	<b>\$ 4,009,429</b>	<b>\$ 26,951,085</b>	<b>\$ (11,386,009)</b>	<b>\$ 21,470,700</b>	<b>\$ 137,252,928</b>

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)**

**Prior Period Adjustment**

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

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

	<u>Government- wide Statements</u>	<u>Governmental Fund Statements</u>		
	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Road</u>	<u>Special Districts Other</u>
Net position as of June 30, 2020, as previously reported	\$ 19,647,104	\$ 70,349,373	\$ 4,713,618	\$ 376,952
<u>Cumulative Effect of Change in Accounting Principle</u>				
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	<u>3,421,914</u>	<u>2,689,703</u>	<u>270,775</u>	<u>461,436</u>
Total prior period adjustments	<u>3,421,914</u>	<u>2,689,703</u>	<u>270,775</u>	<u>461,436</u>
Net position as of July 1, 2020	<u>\$ 23,069,018</u>	<u>\$ 73,039,076</u>	<u>\$ 4,984,393</u>	<u>\$ 838,388</u>
<u>Fiduciary Fund Statements</u>				
	<u>Investment Trust Funds</u>	<u>Custodial Funds</u>		
Net position as of June 30, 2020, as previously reported	\$ 196,546,975	\$ -		
<u>Cumulative Effect of Change in Accounting Principle</u>				
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	<u>9,568,812</u>	<u>14,860,848</u>		
Total prior period adjustments	<u>9,568,812</u>	<u>14,860,848</u>		
Net position as of July 1, 2020	<u>\$ 206,115,787</u>	<u>\$ 14,860,848</u>		

**NOTE 9 PENSION PLANS**

**Summary of Significant Accounting Policies**

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 PENSION PLANS (CONTINUED)**

**A. General Information About the Pension Plans**

Plan Descriptions

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

Benefits Provided

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

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

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

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 PENSION PLANS (CONTINUED)**

**A. General Information About the Pension Plans (Continued)**

Benefits Provided (Continued)

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

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

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

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

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

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

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

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

**COUNTY OF MENDOCINO  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2021**

**NOTE 9 PENSION PLANS (CONTINUED)**

**A. General Information About the Pension Plans (Continued)**

Contributions

The County and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from MCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2020 for 2020-2021 (based on the June 30, 2020 valuation) was 34.56% of compensation. The actual employer rate depends on General, Safety, or Probation membership, and tier.

All members are required to make contributions to MCERA regardless of the retirement plan or tier in which they are included; however, non-PEPRA members with 30 or more years of service are exempt from paying member contributions. The average member contribution rate as of June 30, 2020 for 2020-2021 (based on the June 30, 2020 valuation) was 9.44% of compensation. The actual member rate depends on the member's age at the time of hire, General, Safety, or Probation membership, and tier.

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

For the year ended June 30, 2021, the contributions for the Plan was as follows:

Contributions - Employer	<u>\$ 25,478,430</u>
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**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2021, the County reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability <u>\$ 247,246,342</u>
Total Net Pension Liability	



**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 PENSION PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The County's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	96.25%
Proportion - June 30, 2020	96.26%
Change - Increase (Decrease)	0.004%

For the year ended June 30, 2021, the County recognized net pension expense of \$14,977,727. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,132,622	\$ 41,617
Changes in Assumptions	9,471,410	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,897,585	-
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions	58,091	-
County's Contributions Subsequent to the Measurement Date	25,478,430	-
Total	\$ 54,038,138	\$ 41,617

The County reported \$25,478,430 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Amount
2022	\$ 6,795,893
2023	10,090,489
2024	7,361,505
2025	4,270,204
Total	28,518,091

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 PENSION PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase	4.00% – 8.50%, based on years of service (1)
Investment Rate of Return	7.00%
Mortality	Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set back one year for males and set forward one year for females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016

(1) Includes inflation at 3.00% plus across the board salary increases of 0.50% plus merit and promotion increases.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a April 14, 2017 actuarial experience study for the period July 1, 2013 – June 30, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 PENSION PLANS (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	24.7 %	5.49 %
U.S. Small Cap Equity	12.3	6.10
Global Equity	25.0	6.84
Domestic Fixed Income	21.0	1.09
Real Estate	11.0	4.59
Infrastructure	6.0	5.30
Total	<u>100.0 %</u>	

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

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

One Percent Decrease	5.75%
Net Pension Liability	\$ 348,328,842
Current Discount Rate	6.75%
Net Pension Liability	\$ 247,246,342
One Percent Increase	7.70%
Net Pension Liability	\$ 164,104,400

Pension Plan Fiduciary Net Position

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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, 2021, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

**NOTE 11 RISK MANAGEMENT**

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

**A. Unemployment Insurance**

The County is fully self-insured for this program. The estimated claims liability at fiscal year-end was \$789,722.

**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.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 RISK MANAGEMENT (CONTINUED)**

**B. General Liability Insurance (Continued)**

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, 2021, plus an amount for “incurred but not reported claims.” The liability is based on the estimated ultimate cost of settling the claims within the program’s self-insured retention. The liability of \$1,073,771 includes incurred but not reported claims.

**C. Workers’ Compensation**

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

**D. Health Insurance**

The County is fully self-insured and administers the program. The County has hired Keenan Associates as a health plan consultant/actuary to review the health plan on an annual basis, and determine by how much County and employee share in premiums should be increased. The estimated claims liability at fiscal year-end was \$2,571,698.

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

	Unemployment Insurance	General Liability	Health Insurance	Total
Claims Liability, July 1, 2019	\$ 455,859	\$ 855,523	\$ 2,339,782	\$ 3,651,164
Current Year Claims and Changes in Estimates	495,808	171,587	16,903,621	17,571,016
Claims Payments	(155,884)	(154,765)	(16,262,523)	(16,573,172)
Claims Liability, June 30, 2020	<u>\$ 795,783</u>	<u>\$ 872,345</u>	<u>\$ 2,980,880</u>	<u>\$ 4,649,008</u>
Claims Liability, July 1, 2020	\$ 795,783	\$ 872,345	\$ 2,980,880	\$ 4,649,008
Current Year Claims and Changes in Estimates	400,712	814,227	14,791,594	16,006,533
Claims Payments	(406,773)	(612,801)	(15,200,776)	(16,220,350)
Claims Liability, June 30, 2021	<u>\$ 789,722</u>	<u>\$ 1,073,771</u>	<u>\$ 2,571,698</u>	<u>\$ 4,435,191</u>

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS**

The following funds reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2021:

Fund	Amount in Excess
Special Districts Lighting	\$ 4,665
Special District Other	22,766
Inter-Governmental Transfers	200,842
Whole Person Care	569,541

**NOTE 13 DEFICIT FUND BALANCE**

The following funds had deficit fund balances at June 30, 2021:

Fund	Deficit
Other Governmental Funds:	
Disaster Recovery	\$ (11,386,009)
Internal Service Funds:	
Unemployment Insurance	(96,832)
Health Insurance	(3,674,315)

These deficits are expected to be eliminated through receipts of grants, charges for services or transfers from the General Fund over time.

**REQUIRED SUPPLEMENTARY INFORMATION**





**COUNTY OF MENDOCINO  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

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

Last 10 Fiscal Years\*

	Reporting Fiscal Year (Measurement Date)						
	June 30, 2021 <i>(June 30, 2020)</i>	June 30, 2020 <i>(June 30, 2019)</i>	June 30, 2019 <i>(June 30, 2018)</i>	June 30, 2018 <i>(June 30, 2017)</i>	June 30, 2017 <i>(June 30, 2016)</i>	June 30, 2016 <i>(June 30, 2015)</i>	June 30, 2015 <i>(June 30, 2014)</i>
County's Proportion of the Net Pension Liability	96.26%	96.25%	96.23%	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	\$ 247,246,342	\$ 206,708,080	\$ 190,043,076	\$ 186,099,824	\$ 193,097,508	\$ 154,924,361	\$ 130,705,221
County's Covered Payroll	\$ 68,592,195	\$ 65,111,855	\$ 61,443,717	\$ 56,534,158	\$ 54,492,771	\$ 51,937,992	\$ 50,778,344
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	360.46%	317.47%	309.30%	329.18%	354.35%	298.29%	257.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.70%	71.30%	72.49%	71.23%	67.45%	72.78%	75.68%

**Notes to Schedule**

Valuation Date:

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

**Schedule of the County's Contributions**

Last 10 Fiscal Years\*

	Reporting Fiscal Year						
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 25,478,430	\$ 23,515,845	\$ 22,826,962	\$ 19,650,882	\$ 18,209,544	\$ 17,950,331	\$ 14,139,041
Contributions Related to the Actuarially Determined Contribution	<u>25,478,430</u>	<u>23,515,845</u>	<u>22,826,962</u>	<u>19,650,882</u>	<u>18,209,544</u>	<u>17,950,331</u>	<u>14,139,041</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 69,964,039	\$ 68,592,195	\$ 65,111,855	\$ 61,443,717	\$ 56,534,158	\$ 54,492,771	\$ 51,937,992
Contributions as a Percentage of Covered Payroll	36.42%	34.28%	35.06%	31.98%	32.21%	32.94%	27.22%

**Notes to Schedule**

Valuation Date:

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

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 81,802,155	\$ 83,802,155	\$ 92,165,453	\$ 8,363,298
Licenses and Permits	5,292,458	5,292,458	4,961,346	(331,112)
Fines, Forfeits, and Penalties	1,314,614	1,334,614	916,522	(418,092)
Revenue From Use of Money and Property	1,100,020	1,128,757	761,016	(367,741)
Intergovernmental	114,087,194	125,433,935	100,836,364	(24,597,571)
Charges for Services	12,921,494	13,080,561	12,346,360	(734,201)
Other Revenue	1,408,739	1,408,739	1,742,247	333,508
Total Revenues	217,926,674	231,481,218	213,729,308	(17,751,910)
<b>EXPENDITURES</b>				
Current:				
General government:				
Assessor	1,842,544	1,842,544	1,600,746	241,798
Auditor-Controller	1,449,984	1,469,984	1,547,288	(77,304)
Board Of Supervisors	819,335	848,585	835,069	13,516
Buildings & Grounds	4,130,954	4,190,123	4,474,708	(284,585)
Clerk Of The Board	553,656	553,656	532,775	20,881
County Clerk	277,830	277,830	280,041	(2,211)
County Clerk-Election	512,495	741,532	642,260	99,272
County Counsel	1,296,935	1,346,935	1,472,226	(125,291)
County Executive Office	1,234,650	1,384,650	1,224,133	160,517
County Garage	28,000	13,000	22,017	(9,017)
Economic Development	567,371	567,371	825,041	(257,670)
Employee Wellness/Assistance	48,776	48,776	40,914	7,862
Engineering & Technical Assist	1,101,268	1,254,387	1,091,346	163,041
General Services	459,642	469,637	477,459	(7,822)
Human Resources	950,508	1,023,772	989,702	34,070
Information Services	3,751,662	3,781,426	3,320,880	460,546
Miscellaneous Budget	2,415,298	5,876,730	1,966,997	3,909,733
Nondepartmental Revenue	(3,275,153)	(3,275,153)	(3,203,410)	(71,743)
Property Characteristics	91,687	91,687	-	91,687
Retirement	698,471	698,471	726,439	(27,968)
Treasurer-Tax Collector	852,289	880,065	870,877	9,188
Total general government	19,808,202	24,086,008	19,737,508	4,348,500
Public protection:				
Agriculture Dept	1,458,261	1,493,261	1,321,004	172,257
Alternate Defender	786,112	786,112	914,807	(128,695)
Animal Control	1,550,621	1,550,621	1,342,117	208,504
Cannabis Management	822,172	937,172	639,379	297,793
Child Support Services	2,745,024	2,653,941	2,166,787	487,154
Courts-Ab233 Program	1,303,668	1,303,668	1,176,951	126,717
District Attorney	5,690,369	5,722,259	6,802,353	(1,080,094)
Emergency Svc Cd Safety	403,399	510,914	374,374	136,540
Fire	600,000	600,000	740,929	(140,929)
Grand Jury	89,600	89,600	38,522	51,078
Indigent Defense	350,000	350,000	352,885	(2,885)
Juvenile Hall	2,467,075	2,467,075	2,256,516	210,559
Mendocino County Jail	14,863,030	15,156,040	15,258,741	(102,701)
Mendocino County Sheriff	21,147,209	21,394,476	23,130,387	(1,735,911)
Mobile Spay/Neuter	139,552	139,552	70,702	68,850
Planning & Building Services	6,348,632	6,348,632	5,086,660	1,261,972
Planning & Building Spec Proj	505,000	590,000	35,663	554,337
Probation Officer	5,925,063	6,016,702	5,791,436	225,266
Public Defender	2,513,207	2,513,207	3,447,975	(934,768)
Total public protection	69,707,994	70,623,232	70,948,188	(324,956)

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public ways and facilities:				
DOT - Mendocino Cty Airport	\$ 12,115,115	\$ 12,115,115	\$ 175,199	\$ 11,939,916
DOT - Round Valley Airport	637,561	790,395	605,635	184,760
Total public ways and facilities	<u>12,752,676</u>	<u>12,905,510</u>	<u>780,834</u>	<u>12,124,676</u>
Health and sanitation:				
Alcohol/Other Drug Program	2,657,775	3,604,594	2,660,527	944,067
Emergency Medical Services	1,479,641	1,479,641	152,174	1,327,467
Employee Wellness/Assistance	353,757	353,757	286,948	66,809
Environmental Health	3,023,605	3,023,605	2,242,207	781,398
Hospital /Medical Services	276,000	276,000	159,708	116,292
Landfill Closure	1,824,774	1,824,774	508,738	1,316,036
Mendocino County Solid Waste	247,313	247,313	326,604	(79,291)
Public Health	3,219,532	6,786,475	5,911,119	875,356
Public Health Nursing	2,867,285	2,867,285	1,836,397	1,030,888
Public Health-Ccs	1,079,159	1,079,159	682,690	396,469
Transitional Housing	-	600,000	315,584	284,416
Total health and sanitation	<u>17,028,841</u>	<u>22,142,603</u>	<u>15,082,696</u>	<u>7,059,907</u>
Public assistance:				
Calworks/Foster Care	25,836,780	25,836,780	22,171,814	3,664,966
General Relief	585,812	585,812	523,460	62,352
Health & Human Services Admin	311,959	311,959	244,556	67,403
In Home Support Services	5,584,250	5,584,250	5,878,759	(294,509)
Social Services	53,709,265	53,777,105	48,004,038	5,773,067
Total public assistance	<u>86,028,066</u>	<u>86,095,906</u>	<u>76,822,627</u>	<u>9,273,279</u>
Education:				
Farm Advisor	242,257	242,257	191,424	50,833
Total education	<u>242,257</u>	<u>242,257</u>	<u>191,424</u>	<u>50,833</u>
Recreation and culture:				
Mendocino Cnty Museum	609,460	688,197	561,138	127,059
Total recreation and culture	<u>609,460</u>	<u>688,197</u>	<u>561,138</u>	<u>127,059</u>
Debt Service:				
Principal	4,400,000	4,400,000	4,761,819	(361,819)
Interest and Fiscal Charges	500,000	500,000	36,753	463,247
Total debt service	<u>4,900,000</u>	<u>4,900,000</u>	<u>4,798,572</u>	<u>101,428</u>
Capital Outlay:				
Capital Improvements	5,501,516	10,833,627	3,223,702	7,609,925
Total capital outlay	<u>5,501,516</u>	<u>10,833,627</u>	<u>3,223,702</u>	<u>7,609,925</u>
Total expenditures	<u>216,579,012</u>	<u>232,517,340</u>	<u>192,146,689</u>	<u>40,370,651</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,347,662	(1,036,122)	21,582,619	22,618,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,868,484	12,525,901	6,974,531	(5,551,370)
Transfers Out	(11,472,855)	(26,604,438)	(20,609,352)	5,995,086
Total Other Financing Sources (Uses)	<u>(6,604,371)</u>	<u>(14,078,537)</u>	<u>(13,634,821)</u>	<u>443,716</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,256,709)	(15,114,659)	7,947,798	23,062,457
Budgetary Fund Balances - Beginning of Year	<u>73,039,076</u>	<u>73,039,076</u>	<u>73,039,076</u>	<u>-</u>
<b>BUDGETARY FUND BALANCES - END OF YEAR</b>	<u>\$ 67,782,367</u>	<u>\$ 57,924,417</u>	<u>\$ 80,986,874</u>	<u>\$ 23,062,457</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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

**Total Revenues from the Budgetary Comparison Schedule** \$ 213,729,308

The County budgets transfers to the Tax Resources Fund as a debt service expenditure,  
but reports a portion of the disbursement as a reduction of the taxes revenue. (4,761,819)

**Total Revenues from the Statement of Revenues, Expenditures, and Changes  
in Fund Balance - General Fund** \$ 208,967,489

Total expenditures from the budgetary comparison schedule \$ 192,146,689

The County budgets transfers to the Pension Obligation Fund as functional expenditures. (6,924,491)

The County budgets transfers to the Tax Resources Fund as a debt service expenditure,  
but reports the disbursement as a reduction of taxes revenue. (4,761,819)

**Total Expenditures from the Statement of Revenues, Expenditures, and Changes  
in Fund Balance - General Fund** \$ 180,460,379

*See accompanying Notes to Required Supplementary Information.*

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH SERVICES FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue From Use of Money and Property	\$ (27,416)	\$ (27,416)	\$ 4,696	\$ 32,112
Intergovernmental	27,200,721	27,300,721	25,752,998	(1,547,723)
Charges for Services	930,370	930,370	1,918,576	988,206
Other Revenues	150,150	150,150	112,286	(37,864)
Total Revenues	<u>28,253,825</u>	<u>28,353,825</u>	<u>27,788,556</u>	<u>(565,269)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	<u>29,159,932</u>	<u>29,303,285</u>	<u>25,005,874</u>	<u>4,297,411</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(906,107)	(949,461)	2,782,682	3,732,143
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	755,386	909,416	300,000	(609,416)
Transfers Out	<u>(592,425)</u>	<u>(592,425)</u>	<u>(233,779)</u>	<u>358,646</u>
Total Other Financing Sources (Uses)	<u>162,961</u>	<u>316,991</u>	<u>66,221</u>	<u>(250,770)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(743,146)	(632,470)	2,848,903	3,481,373
Fund Balances - Beginning of Year	<u>2,300,262</u>	<u>2,300,262</u>	<u>2,300,262</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,557,116</u>	<u>\$ 1,667,792</u>	<u>\$ 5,149,165</u>	<u>\$ 3,481,373</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – ROAD FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 54,000	\$ 66,000	\$ 52,319	\$ (13,681)
Licenses, Permits, and Franchises	56,000	56,000	157,801	101,801
Revenue From Use of Money and Property	70,000	70,000	(78,136)	(148,136)
Fines, Forfeitures, and Penalties	40,000	40,000	32,615	(7,385)
Intergovernmental	24,352,817	24,491,817	16,036,616	(8,455,201)
Charges for Services	78,726	78,726	291,268	212,542
Other Revenues	18,000	18,000	13,318	(4,682)
Total Revenues	<u>24,669,543</u>	<u>24,820,543</u>	<u>16,505,801</u>	<u>(8,314,742)</u>
<b>EXPENDITURES</b>				
Current:				
Public Ways and Facilities	31,807,859	32,348,794	21,024,918	11,323,876
Total Expenditures	<u>31,807,859</u>	<u>32,348,794</u>	<u>21,024,918</u>	<u>11,323,876</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,138,316)	(7,528,251)	(4,519,117)	3,009,134
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,766,860	3,981,757	3,981,757	1
Transfers Out	-	(55,150)	(437,604)	(382,454)
Total Other Financing Sources (Uses)	<u>3,766,860</u>	<u>3,926,607</u>	<u>3,544,153</u>	<u>(382,454)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,371,456)	(3,601,645)	(974,964)	2,626,681
Fund Balances - Beginning of Year	<u>4,984,393</u>	<u>4,984,393</u>	<u>4,984,393</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,612,937</u>	<u>\$ 1,382,748</u>	<u>\$ 4,009,429</u>	<u>\$ 2,626,681</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH TREATMENT FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 8,500,000	\$ 8,500,000	\$ 10,848,181	\$ 2,348,181
Revenue From Use of Money and Property	200,000	200,000	72,107	(127,893)
Total Revenues	<u>8,700,000</u>	<u>8,700,000</u>	<u>10,920,288</u>	<u>2,220,288</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	<u>286,575</u>	<u>294,985</u>	<u>159,834</u>	<u>135,151</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	8,413,425	8,405,015	10,760,454	2,220,288
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(2,706,600)</u>	<u>(2,706,600)</u>	<u>(2,328,153)</u>	<u>378,447</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,706,825	5,698,415	8,432,301	2,598,735
Fund Balances - Beginning of Year	<u>18,518,784</u>	<u>18,518,784</u>	<u>18,518,784</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 24,225,609</u></u>	<u><u>\$ 24,217,199</u></u>	<u><u>\$ 26,951,085</u></u>	<u><u>\$ 2,598,735</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – DISASTER RECOVERY FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 9,544,371	\$ 17,015,856	\$ 13,901,273	\$ (3,114,583)
Other Revenues	-	-	5,600	5,600
Total Revenues	<u>9,544,371</u>	<u>17,015,856</u>	<u>13,906,873</u>	<u>(3,108,983)</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>10,962,734</u>	<u>11,737,734</u>	<u>5,707,961</u>	<u>6,029,773</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,418,363)	5,278,122	8,198,912	2,920,790
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,778,285	2,426,745	2,426,745	-
Transfers Out	-	<u>(7,480,485)</u>	<u>(20,475,700)</u>	<u>(12,995,215)</u>
Total Other Financing Sources (Uses)	<u>1,778,285</u>	<u>(5,053,740)</u>	<u>(18,048,955)</u>	<u>(12,995,215)</u>
<b>NET CHANGE IN FUND BALANCES</b>	359,922	224,382	(9,850,043)	(10,074,425)
Fund Balances - Beginning of Year	<u>(1,535,966)</u>	<u>(1,535,966)</u>	<u>(1,535,966)</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (1,176,044)</u>	<u>\$ (1,311,584)</u>	<u>\$ (11,386,009)</u>	<u>\$ (10,074,425)</u>

See accompanying Notes to Required Supplementary Information.



**COUNTY OF MENDOCINO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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



## **SUPPLEMENTARY INFORMATION**



**OTHER BUDGETARY SCHEDULES**



**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 35,703	\$ 5,703
Revenue From Use of Money and Property	(8,000)	(8,000)	(4,710)	3,290
Fines, Forfeitures, and Penalties	12,000	12,000	7,800	(4,200)
Total Revenues	<u>34,000</u>	<u>34,000</u>	<u>38,793</u>	<u>4,793</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,600	3,600	3,425	175
Debt Service:				
Principal	1,230,000	1,230,000	1,230,000	-
Interest	635,500	635,500	635,498	2
Total Expenditures	<u>1,869,100</u>	<u>1,869,100</u>	<u>1,868,923</u>	<u>177</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,835,100)	(1,835,100)	(1,830,130)	4,970
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>1,835,100</u>	<u>1,835,100</u>	<u>1,835,100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	4,970	4,970
Fund Balances - Beginning of Year	<u>1,999,064</u>	<u>1,999,064</u>	<u>1,999,064</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,999,064</u>	<u>\$ 1,999,064</u>	<u>\$ 2,004,034</u>	<u>\$ 4,970</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – PENSION OBLIGATION BOND FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue From Use of Money and Property	\$ (58,000)	\$ (58,000)	\$ (32,537)	\$ 25,463
Other Revenues	-	-	467,342	467,342
Total Revenues	<u>(58,000)</u>	<u>(58,000)</u>	<u>434,805</u>	<u>492,805</u>
<b>EXPENDITURES</b>				
Current:				
General Government	4,000	4,000	3,649	351
Debt Service:				
Principal	5,440,000	5,440,000	5,440,000	-
Interest	2,408,750	2,408,750	2,408,750	-
Total Expenditures	<u>7,852,750</u>	<u>7,852,750</u>	<u>7,852,399</u>	<u>351</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,910,750)	(7,910,750)	(7,417,594)	493,156
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>7,910,750</u>	<u>7,910,750</u>	<u>7,841,170</u>	<u>(69,580)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	423,576	423,576
Fund Balances - Beginning of Year	<u>7,644,074</u>	<u>7,644,074</u>	<u>7,644,074</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 7,644,074</u></u>	<u><u>\$ 7,644,074</u></u>	<u><u>\$ 8,067,650</u></u>	<u><u>\$ 423,576</u></u>



**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**



**NONMAJOR GOVERNMENTAL FUNDS**



**COUNTY OF MENDOCINO  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

- **LIBRARY**

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

- **FISH AND GAME**

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

- **SPECIAL AVIATION**

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

- **SUPPLEMENTAL LAW ENFORCEMENT**

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

- **COPS AB 1913**

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

1. 5.15% to the County Sheriff for County Jail construction and operations;
2. 5.15% to the District Attorney's Office for criminal prosecutions;
3. 39.7% to the County and the cities within the County, for supplemental front-line law enforcement services; and
4. 50% to the County for implementation of a comprehensive, multi-agency juvenile justice plan.

**COUNTY OF MENDOCINO  
NONMAJOR GOVERNMENTAL FUNDS**

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

- **SHERIFF SPECIAL PROJECTS**

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

- **RECORDER MODERNIZATION**

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

- **MICROGRAPHICS**

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

- **MISCELLANEOUS GRANTS**

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

- **SPECIAL DISTRICTS LIGHTING**

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

- **SPECIAL DISTRICTS OTHER**

There are currently three other special districts as follows:

1. **AIR QUALITY MANAGEMENT DISTRICT**

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

2. **MEADOWBROOK SANITATION DISTRICT**

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

3. **MENDOCINO COUNTY WATER AGENCY**

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

**COUNTY OF MENDOCINO  
NONMAJOR GOVERNMENTAL FUNDS**

- a. The Sustainable Groundwater Management Act (SGMA) Implementation
  - b. Ukiah Valley Basin Groundwater Sustainability Agency
  - c. California Statewide Groundwater Elevation Monitoring (CASGEM) Program
  - d. National Pollutant Discharge Elimination System (NPDES) MS4 Phase II Permit
  - e. Proposition 1 Grant Management
  - f. Water Agency Action Plan
- **INTER-GOVERNMENTAL TRANSFER**  
The Health and Human Services Agency (HHS) maximizes realignment funds by participating in the Inter-Governmental Transfer (IGT) opportunity with Partnership HealthPlan of California (PHC) to access additional Medi-Cal funding to provide services to Medi-Cal eligible beneficiaries. This fund accounts for the realignment health services funds and other federal funds awarded to support the health and wellbeing of Medi-Cal beneficiaries throughout Mendocino County.
  - **WHOLE PERSON CARE**  
The Whole Person Care fund accounts for Medi-Cal 2021 grants, awarded through California's Section 115(a) Medicaid Waiver, for the Health and Human Services Agency's Whole Person Care Pilot Program, which aims to improve the wellbeing of Mendocino County residents experiencing mental illness, social isolation and/or poor health through enhanced inter-agency collaboration, peer support, and care coordination.

**CAPITAL PROJECTS**

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

1. **CAPITAL IMPROVEMENTS (BU 1710)**  
The Capital Improvement Fund provides monies for facility enhancements and large-scale maintenance projects, such as roof replacements, parking lot repairs, and heating and cooling upgrades and significant repairs or remodels. These funds also provide for compliance with the Americans with Disabilities Act (ADA) to plan and complete retrofits for the removal of barriers to disabled access in County facilities.

**COUNTY OF MENDOCINO  
NONMAJOR GOVERNMENTAL FUNDS**

2. **CAPITAL PROJECTS (BU 1712)**

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

**PERMANENT FUNDS**

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

- **ENDOWMENT FUNDS**

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



**COUNTY OF MENDOCINO  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
<b>ASSETS</b>				
Cash and Investments in County Treasury	\$ 1,800,738	\$ 122,366	\$ 155,893	\$ 374,731
Imprest Cash	395	-	-	-
Accounts Receivable	494	-	-	-
Taxes Receivable	512,136	-	-	-
Due From Other Governmental Agencies	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,313,763</u></b>	<b><u>\$ 122,366</u></b>	<b><u>\$ 155,893</u></b>	<b><u>\$ 374,731</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 54,871	\$ 108	\$ -	\$ -
Accrued Salaries and Benefits	116,170	-	-	6,656
<b>Total Liabilities</b>	<b><u>171,041</u></b>	<b><u>108</u></b>	<b><u>-</u></b>	<b><u>6,656</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable Endowments	-	-	-	-
Restricted	2,142,722	122,258	155,893	368,075
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>2,142,722</u></b>	<b><u>122,258</u></b>	<b><u>155,893</u></b>	<b><u>368,075</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 2,313,763</u></b>	<b><u>\$ 122,366</u></b>	<b><u>\$ 155,893</u></b>	<b><u>\$ 374,731</u></b>

**COUNTY OF MENDOCINO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
<b>ASSETS</b>				
Cash and Investments in County Treasury	\$ 548,183	\$ 57,641	\$ 124,673	\$ 36,749
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	2	1
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	-	-	-	-
	<u>548,183</u>	<u>57,641</u>	<u>124,675</u>	<u>36,750</u>
Total Assets	<u>\$ 548,183</u>	<u>\$ 57,641</u>	<u>\$ 124,675</u>	<u>\$ 36,750</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 437
Accrued Salaries and Benefits	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>437</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	548,183	57,641	124,675	36,313
Assigned	-	-	-	-
Total Fund Balances	<u>548,183</u>	<u>57,641</u>	<u>124,675</u>	<u>36,313</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 548,183</u>	<u>\$ 57,641</u>	<u>\$ 124,675</u>	<u>\$ 36,750</u>

**COUNTY OF MENDOCINO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter- governmental Transfer
<b>ASSETS</b>				
Cash and Investments in County Treasury	\$ 3,713,758	\$ 568,067	\$ 1,197,642	\$ 11,287,418
Imprest Cash	-	-	200	-
Accounts Receivable	606,172	-	141,938	-
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	361,251	-	137,943	-
<b>Total Assets</b>	<b><u>\$ 4,681,181</u></b>	<b><u>\$ 568,067</u></b>	<b><u>\$ 1,477,723</u></b>	<b><u>\$ 11,287,418</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 486,869	\$ 3,860	\$ 123,873	\$ 1,654,499
Accrued Salaries and Benefits	90,515	-	37,479	-
<b>Total Liabilities</b>	<b><u>577,384</u></b>	<b><u>3,860</u></b>	<b><u>161,352</u></b>	<b><u>1,654,499</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	259,465	-
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	4,103,797	564,207	1,056,906	9,632,919
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>4,103,797</u></b>	<b><u>564,207</u></b>	<b><u>1,056,906</u></b>	<b><u>9,632,919</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 4,681,181</u></b>	<b><u>\$ 568,067</u></b>	<b><u>\$ 1,477,723</u></b>	<b><u>\$ 11,287,418</u></b>

**COUNTY OF MENDOCINO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue		Permanent Fund	Total
	Whole Person Care	Capital Projects	Endowment Funds	
<b>ASSETS</b>				
Cash and Investments in County Treasury	\$ 1,394,699	\$ 1,888,372	\$ 566,971	\$ 23,837,901
Imprest Cash	-	-	-	595
Accounts Receivable	750,202	-	-	1,498,809
Taxes Receivable	-	-	-	512,136
Due From Other Governmental Agencies	-	-	-	499,194
	<u>\$ 2,144,901</u>	<u>\$ 1,888,372</u>	<u>\$ 566,971</u>	<u>\$ 26,348,635</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 512,721	\$ 766,901	\$ -	\$ 3,604,139
Accrued Salaries and Benefits	13,309	-	-	264,129
Total Liabilities	<u>526,030</u>	<u>766,901</u>	<u>-</u>	<u>3,868,268</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	750,202	-	-	1,009,667
<b>FUND BALANCE</b>				
Nonspendable	-	-	566,971	566,971
Restricted	868,669	-	-	19,782,258
Assigned	-	1,121,471	-	1,121,471
Total Fund Balances	<u>868,669</u>	<u>1,121,471</u>	<u>566,971</u>	<u>21,470,700</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,144,901</u>	<u>\$ 1,888,372</u>	<u>\$ 566,971</u>	<u>\$ 26,348,635</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue			Supplemental Law Enforcement
	Library	Fish and Game	Special Aviation	
<b>REVENUES</b>				
Taxes	\$ 2,870,111	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	85,341	-	-	193,226
Revenue From Use of Money and Property	7,768	(11)	(1,212)	395
Fines, Forfeitures, and Penalties	-	4,241	-	-
Charges for Services	38,458	-	-	-
Other Revenue	713	-	-	-
Total Revenues	<u>3,002,391</u>	<u>4,230</u>	<u>(1,212)</u>	<u>193,621</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	5,430	-	150,370
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,366,356	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,366,356</u>	<u>5,430</u>	<u>-</u>	<u>150,370</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(363,965)	(1,200)	(1,212)	43,251
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,408,238	-	-	-
Transfers Out	(119,523)	-	-	(5,990)
Total Other Financing Sources (Uses)	<u>1,288,715</u>	<u>-</u>	<u>-</u>	<u>(5,990)</u>
<b>NET CHANGE IN FUND BALANCES</b>	924,750	(1,200)	(1,212)	37,261
Fund Balances - Beginning of Year, Restated	<u>1,217,972</u>	<u>123,458</u>	<u>157,105</u>	<u>330,814</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,142,722</u>	<u>\$ 122,258</u>	<u>\$ 155,893</u>	<u>\$ 368,075</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	236,761	-	-	-
Revenue From Use of Money and Property	1,216	(266)	484	266
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	108,828	21,580
Other Revenue	-	1,144	-	19,803
Total Revenues	<u>237,977</u>	<u>878</u>	<u>109,312</u>	<u>41,649</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	54,223	5,249
Public Protection	134,788	39,275	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>134,788</u>	<u>39,275</u>	<u>54,223</u>	<u>5,249</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	103,189	(38,397)	55,089	36,400
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	103,189	(38,397)	55,089	36,400
Fund Balances - Beginning of Year, Restated	<u>444,994</u>	<u>96,038</u>	<u>69,586</u>	<u>(87)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 548,183</u>	<u>\$ 57,641</u>	<u>\$ 124,675</u>	<u>\$ 36,313</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue			Inter- governmental Transfer
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	
<b>REVENUES</b>				
Taxes	\$ -	\$ 88,000	\$ 170,728	\$ -
Licenses, Permits, and Franchises	-	-	358,205	-
Aid from other governmental agencies	5,416,991	606	1,645,651	6,621,450
Revenue From Use of Money and Property	(66,939)	(3,930)	650	(67,941)
Fines, Forfeitures, and Penalties	11,598	-	5,349	-
Charges for Services	216,210	-	21,722	96,717
Other Revenue	11,672	-	645	-
Total Revenues	<u>5,589,532</u>	<u>84,676</u>	<u>2,202,950</u>	<u>6,650,226</u>
<b>EXPENDITURES</b>				
Current:				
General government	123,277	-	-	-
Public protection	970,770	-	997,260	-
Public ways and facilities	-	51,665	-	-
Health and sanitation	7,461,820	-	914,167	15,287,967
Public assistance	109,646	-	-	-
Education	-	-	-	-
Recreation and Culture	376	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,665,889</u>	<u>51,665</u>	<u>1,911,427</u>	<u>15,287,967</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,076,357)	33,011	291,523	(8,637,741)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	158,719	-	94,000	11,576,837
Transfers Out	(521,057)	-	(167,005)	(2,707,244)
Total Other Financing Sources (Uses)	<u>(362,338)</u>	<u>-</u>	<u>(73,005)</u>	<u>8,869,593</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,438,695)	33,011	218,518	231,852
Fund Balances - Beginning of Year, Restated	<u>7,542,492</u>	<u>531,196</u>	<u>838,388</u>	<u>9,401,067</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,103,797</u>	<u>\$ 564,207</u>	<u>\$ 1,056,906</u>	<u>\$ 9,632,919</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue		Permanent Fund	Total
	Whole Person Care	Capital Projects	Endowment Funds	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 3,128,839
Licenses, Permits, and Franchises	-	-	-	358,205
Aid from other governmental agencies	2,877,079	-	-	17,077,105
Revenue From Use of Money and Property	-	2,977	(3,805)	(130,348)
Fines, Forfeitures, and Penalties	-	-	-	21,188
Charges for Services	1,368,607	-	-	1,872,122
Other Revenue	-	-	-	33,977
Total Revenues	<u>4,245,686</u>	<u>2,977</u>	<u>(3,805)</u>	<u>22,361,088</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	78,799	261,548
Public protection	-	-	-	2,297,893
Public ways and facilities	-	-	-	51,665
Health and sanitation	4,504,375	-	-	28,168,329
Public assistance	-	-	-	109,646
Education	-	-	-	3,366,356
Recreation and Culture	-	-	-	376
Capital Outlay	-	16,873,585	-	16,873,585
Total Expenditures	<u>4,504,375</u>	<u>16,873,585</u>	<u>78,799</u>	<u>51,129,398</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(258,689)	(16,870,608)	(82,604)	(28,768,310)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	981,260	16,853,897	-	31,072,951
Transfers Out	<u>(1,901,877)</u>	<u>-</u>	<u>-</u>	<u>(5,422,696)</u>
Total Other Financing Sources (Uses)	<u>(920,617)</u>	<u>16,853,897</u>	<u>-</u>	<u>25,650,255</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,179,306)	(16,711)	(82,604)	(3,118,055)
Fund Balances - Beginning of Year, Restated	<u>2,047,975</u>	<u>1,138,182</u>	<u>649,575</u>	<u>24,588,755</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 868,669</u>	<u>\$ 1,121,471</u>	<u>\$ 566,971</u>	<u>\$ 21,470,700</u>



**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,140,000	\$ 2,140,000	\$ 2,870,111	\$ 730,111
Revenue From Use of Money and Property	34,954	34,954	7,768	(27,186)
Intergovernmental	-	85,341	85,341	-
Charges for Services	30,885	30,885	38,458	7,573
Other Revenues	8,800	8,800	713	(8,087)
Total Revenues	<u>2,214,639</u>	<u>2,299,980</u>	<u>3,002,391</u>	<u>702,411</u>
<b>EXPENDITURES</b>				
Current:				
Education	<u>4,350,223</u>	<u>4,350,223</u>	<u>3,366,356</u>	<u>983,867</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,135,584)	(2,050,243)	(363,965)	1,686,278
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,379,826	1,379,826	1,408,238	28,412
Transfers Out	<u>(73,000)</u>	<u>(73,000)</u>	<u>(119,523)</u>	<u>(46,523)</u>
Total Other Financing Sources (Uses)	<u>1,306,826</u>	<u>1,306,826</u>	<u>1,288,715</u>	<u>(18,111)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(828,758)	(743,417)	924,750	1,668,167
Fund Balances - Beginning of Year	<u>1,217,972</u>	<u>1,217,972</u>	<u>1,217,972</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 389,214</u>	<u>\$ 474,555</u>	<u>\$ 2,142,722</u>	<u>\$ 1,668,167</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – FISH AND GAME FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue From Use of Money and Property	\$ 1,700	\$ 1,700	\$ (11)	\$ (1,711)
Fines, Forfeitures, and Penalties	10,000	10,000	4,241	(5,759)
Charges for Services	-	-	-	-
Total Revenues	<u>11,700</u>	<u>11,700</u>	<u>4,230</u>	<u>(7,470)</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>11,700</u>	<u>11,700</u>	<u>5,430</u>	<u>6,270</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(1,200)	(1,200)
Fund Balances - Beginning of Year	<u>123,458</u>	<u>123,458</u>	<u>123,458</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 123,458</u>	<u>\$ 123,458</u>	<u>\$ 122,258</u>	<u>\$ (1,200)</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – RECORDER MODERNIZATION FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue From Use of Money and Property	\$ 800	\$ 800	\$ 484	\$ (316)
Charges for Services	61,000	61,000	108,828	47,828
Total Revenues	<u>61,800</u>	<u>61,800</u>	<u>109,312</u>	<u>47,512</u>
<b>EXPENDITURES</b>				
Current:				
General Government	<u>52,700</u>	<u>54,423</u>	<u>54,223</u>	<u>200</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,100	7,377	55,089	47,712
Fund Balances - Beginning of Year	<u>69,586</u>	<u>69,586</u>	<u>69,586</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 78,686</u></u>	<u><u>\$ 76,963</u></u>	<u><u>\$ 124,675</u></u>	<u><u>\$ 47,712</u></u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – MICROGRAPHICS FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue From Use of Money and Property	\$ -	\$ -	\$ 266	\$ 266
Charges for Services	74,819	74,819	21,580	(53,239)
Other Revenues	20,000	20,000	19,803	(197)
Total Revenues	<u>94,819</u>	<u>94,819</u>	<u>41,649</u>	<u>(53,170)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	<u>94,819</u>	<u>94,819</u>	<u>5,249</u>	<u>89,570</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	36,400	36,400
Fund Balances - Beginning of Year	<u>(87)</u>	<u>(87)</u>	<u>(87)</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (87)</u>	<u>\$ (87)</u>	<u>\$ 36,313</u>	<u>\$ 36,400</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – MISCELLANEOUS GRANTS FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, Forfeitures, and Penalties	\$ -	\$ -	\$ 11,598	\$ 11,598
Intergovernmental	7,805,137	14,483,646	5,416,991	(9,066,655)
Revenue From Use of Money and Property	-	-	(66,939)	(66,939)
Charges for Services	(1,743,335)	(326,909)	216,210	543,119
Other Revenues	-	-	11,672	11,672
Total Revenues	<u>6,061,802</u>	<u>14,156,737</u>	<u>5,589,532</u>	<u>(8,567,205)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	208,106	123,277	84,829
Public Protection	(591,767)	3,214,555	970,770	2,243,785
Health and Sanitation	6,796,988	10,984,746	7,461,820	3,522,926
Public Assistance	207,412	45,754	109,646	(63,892)
Recreation and Culture	-	-	376	(376)
Total Expenditures	<u>6,412,633</u>	<u>14,453,161</u>	<u>8,665,889</u>	<u>5,787,648</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(350,831)	(296,424)	(3,076,357)	(2,779,557)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	105,000	158,719	53,719
Transfers Out	-	(38,726)	(521,057)	(482,331)
Total Other Financing Sources (Uses)	<u>-</u>	<u>66,274</u>	<u>(362,338)</u>	<u>(428,612)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(350,831)	(230,150)	(3,438,695)	(3,208,169)
Fund Balances - Beginning of Year	<u>7,542,492</u>	<u>7,542,492</u>	<u>7,542,492</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 7,191,661</u>	<u>\$ 7,312,342</u>	<u>\$ 4,103,797</u>	<u>\$ (3,208,169)</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS LIGHTING FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 86,685	\$ 86,685	\$ 88,000	\$ 1,315
Intergovernmental	705	705	606	(99)
Revenue From Use of Money and Property	-	-	(3,930)	(3,930)
Total Revenues	<u>87,390</u>	<u>87,390</u>	<u>84,676</u>	<u>(2,714)</u>
<b>EXPENDITURES</b>				
Current:				
Public Ways and Facilities	<u>47,000</u>	<u>47,000</u>	<u>51,665</u>	<u>(4,665)</u>
<b>NET CHANGE IN FUND BALANCES</b>	40,390	40,390	33,011	(7,379)
Fund Balances - Beginning of Year	<u>531,196</u>	<u>531,196</u>	<u>531,196</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 571,586</u>	<u>\$ 571,586</u>	<u>\$ 564,207</u>	<u>\$ (7,379)</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS OTHER FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 163,220	\$ 163,220	\$ 170,728	\$ 7,508
Licenses, Permits, and Franchises	315,500	315,500	358,205	42,705
Revenue From Use of Money and Property	6,300	6,300	650	(5,650)
Fines, Forfeitures, and Penalties	5,000	5,000	5,349	349
Intergovernmental	1,185,220	1,185,220	1,645,651	460,431
Charges for Services	82,092	82,092	21,722	(60,370)
Other Revenues	2,550	2,550	645	(1,905)
Total Revenues	<u>1,759,882</u>	<u>1,759,882</u>	<u>2,202,950</u>	<u>443,068</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	739,700	789,700	997,260	(207,560)
Health and Sanitation	1,062,172	1,098,961	914,167	184,794
Total Expenditures	<u>1,801,872</u>	<u>1,888,661</u>	<u>1,911,427</u>	<u>(22,766)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(41,990)	(128,779)	291,523	420,302
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	44,000	94,000	94,000	420,302
Transfers Out	-	(123,460)	(167,005)	(43,545)
Total Other Financing Sources (Uses)	<u>44,000</u>	<u>(29,460)</u>	<u>(73,005)</u>	<u>376,757</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,010	(158,239)	218,518	797,060
Fund Balances - Beginning of Year	<u>838,388</u>	<u>838,388</u>	<u>838,388</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 840,398</u>	<u>\$ 680,149</u>	<u>\$ 1,056,906</u>	<u>\$ 797,060</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – INTER-GOVERNMENTAL TRANSFERS FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 6,405,479	\$ 6,405,479	\$ 6,621,450	\$ 215,971
Revenue From Use of Money and Property	-	-	(67,941)	(67,941)
Charges for Services	-	-	96,717	96,717
Total Revenues	<u>6,405,479</u>	<u>6,405,479</u>	<u>6,650,226</u>	<u>215,971</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	3,062,192	15,087,125	15,287,967	(200,842)
Total Expenditures	<u>3,062,192</u>	<u>15,087,125</u>	<u>15,287,967</u>	<u>(200,842)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,343,287	(8,681,646)	(8,637,741)	15,129
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	715,180	11,576,837	10,861,657
Transfers Out	(2,825,000)	(2,825,000)	(2,707,244)	117,756
Total Other Financing Sources (Uses)	<u>(2,825,000)</u>	<u>(2,109,820)</u>	<u>8,869,593</u>	<u>10,979,413</u>
<b>NET CHANGE IN FUND BALANCES</b>	518,287	(10,791,466)	231,852	10,994,542
Fund Balances - Beginning of Year	<u>9,401,067</u>	<u>9,401,067</u>	<u>9,401,067</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 9,919,354</u>	<u>\$ (1,390,399)</u>	<u>\$ 9,632,919</u>	<u>\$ 10,994,542</u>



**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – WHOLE PERSON CARE FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,675,235	\$ 1,675,235	\$ 2,877,079	\$ 1,201,844
Charges for Services	-	-	1,368,607	1,368,607
Total Revenues	<u>1,675,235</u>	<u>1,675,235</u>	<u>4,245,686</u>	<u>2,570,451</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	3,934,834	3,934,834	4,504,375	(569,541)
Total Expenditures	<u>3,934,834</u>	<u>3,934,834</u>	<u>4,504,375</u>	<u>(569,541)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,259,599)	(2,259,599)	(258,689)	2,000,910
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	154,030	154,030	981,260	827,230
Transfers Out	(154,030)	(1,445,219)	(1,901,877)	(456,658)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,291,189)</u>	<u>(920,617)</u>	<u>370,572</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,259,599)	(3,550,788)	(1,179,306)	2,371,482
Fund Balances - Beginning of Year	<u>2,047,975</u>	<u>2,047,975</u>	<u>2,047,975</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ (211,624)</u></u>	<u><u>\$ (1,502,813)</u></u>	<u><u>\$ 868,669</u></u>	<u><u>\$ 2,371,482</u></u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue From Use of Money and Property	\$ 3,000	\$ 3,000	\$ 2,977	\$ (23)
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	3,496,600	17,126,806	16,873,585	253,221
Total Expenditures	<u>3,496,600</u>	<u>17,126,806</u>	<u>16,873,585</u>	<u>253,221</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,493,600)	(17,123,806)	(16,870,608)	253,198
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,706,600	16,336,806	16,853,897	(517,091)
Total Other Financing Sources (Uses)	<u>2,706,600</u>	<u>16,336,806</u>	<u>16,853,897</u>	<u>(517,091)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(787,000)	(787,000)	(16,711)	(263,893)
Fund Balances - Beginning of Year	<u>1,138,182</u>	<u>1,138,182</u>	<u>1,138,182</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 351,182</u></u>	<u><u>\$ 351,182</u></u>	<u><u>\$ 1,121,471</u></u>	<u><u>\$ (263,893)</u></u>

**INTERNAL SERVICE FUNDS**



## **COUNTY OF MENDOCINO INTERNAL SERVICE FUNDS**

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

- **SOFTWARE ACQUISITION**

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

- **VEHICLE REPLACEMENT**

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

- **UNEMPLOYMENT INSURANCE**

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

- **GENERAL LIABILITY INSURANCE**

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

- **WORKERS' COMPENSATION**

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

**COUNTY OF MENDOCINO  
INTERNAL SERVICE FUNDS**

- **HEALTH INSURANCE**

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

- an Employee Assistance Program (EAP) –  
EAP services are provided by a vendor who offers counseling and referral services with the goal to provide assistance to employees for work related or personal issues that may impact job performance;
- the Mendocino County Working on Wellness (MCWOW) Program –  
The MCWOW program provides opportunities for wellness for all employees and their insured family members through access to health promotion, education, assessments, activities and support, with a goal to help participants take responsibility for healthy lifestyle behaviors and choices leading toward high level wellness and reduced health care costs;
- life, death and dismemberment coverage;
- a Section 125 Plan (tax-deferred, flexible spending cafeteria plan); and
- AirMed-Care air ambulance service memberships.

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

<b>ASSETS</b>	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
<b>CURRENT ASSETS</b>				
Pooled Cash and Investments in County Treasury	\$ 4,527,512	\$ 66,636	\$ 692,890	\$ 1,438,744
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Total Current Assets	<u>4,527,512</u>	<u>66,636</u>	<u>692,890</u>	<u>1,438,744</u>
<b>NONCURRENT ASSETS</b>				
Capital Assets:				
Depreciable, Net	<u>2,434,789</u>	<u>74,141</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>2,434,789</u>	<u>74,141</u>	<u>-</u>	<u>-</u>
Total Assets	6,962,301	140,777	692,890	1,438,744
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	65,950	-	-	74,937
Accrued Salaries and Benefits	-	-	-	5,930
Due to Other Funds	-	-	-	-
Compensated Absences Payable	-	-	-	18,992
Liability for Unpaid Claims	-	-	789,722	1,073,771
Total Current Liabilities	<u>65,950</u>	<u>-</u>	<u>789,722</u>	<u>1,173,630</u>
Total Liabilities	65,950	-	789,722	1,173,630
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,434,789	74,141	-	-
Unrestricted	<u>4,461,562</u>	<u>66,636</u>	<u>(96,832)</u>	<u>265,114</u>
Total Net Position	<u>\$ 6,896,351</u>	<u>\$ 140,777</u>	<u>\$ (96,832)</u>	<u>\$ 265,114</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

<b>ASSETS</b>	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Pooled Cash and Investments in County Treasury	\$ 1,678,202	\$ -	\$ 8,403,984
Other Cash	-	87,668	87,668
Accounts Receivable	-	12,372	12,372
Total Current Assets	<u>1,678,202</u>	<u>100,040</u>	<u>8,504,024</u>
<b>NONCURRENT ASSETS</b>			
Capital Assets:			
Depreciable, Net	-	-	2,508,930
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>2,508,930</u>
Total Assets	1,678,202	100,040	11,012,954
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	241	353,578	494,706
Accrued Salaries and Benefits	5,761	31,184	42,875
Due to Other Funds	-	797,071	797,071
Compensated Absences Payable	-	20,824	39,816
Liability for Unpaid Claims	-	2,571,698	4,435,191
Total Current Liabilities	<u>6,002</u>	<u>3,774,355</u>	<u>5,809,659</u>
Total Liabilities	6,002	3,774,355	5,809,659
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	2,508,930
Unrestricted	<u>1,672,200</u>	<u>(3,674,315)</u>	<u>2,694,365</u>
Total Net Position	<u>\$ 1,672,200</u>	<u>\$ (3,674,315)</u>	<u>\$ 5,203,295</u>



**COUNTY OF MENDOCINO  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION – INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
<b>OPERATING REVENUES</b>				
Charges and Fees	\$ 100,167	\$ -	\$ 200,000	\$ 2,352,604
Other Revenues	-	-	95,261	-
Total Operating Revenues	<u>100,167</u>	<u>-</u>	<u>295,261</u>	<u>2,352,604</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	-	-	-	129,975
Services and Supplies	1,293,634	-	861	377,288
Insurance	-	-	-	1,448,682
Depreciation	202,399	125,655	-	-
Claims and Judgments	-	-	400,712	814,227
Total Operating Expenses	<u>1,496,033</u>	<u>125,655</u>	<u>401,573</u>	<u>2,770,172</u>
<b>OPERATING INCOME (LOSS)</b>	(1,395,866)	(125,655)	(106,312)	(417,568)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other Revenues	-	-	-	6,968
Interest Revenue (Expense)	(14,037)	(11)	(1,015)	(3,804)
Total Nonoperating Revenues	<u>(14,037)</u>	<u>(11)</u>	<u>(1,015)</u>	<u>3,164</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,409,903)	(125,666)	(107,327)	(414,404)
<b>TRANSFERS IN</b>	2,617,931	-	-	-
<b>TRANSFERS OUT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266,506)</u>
<b>CHANGE IN NET POSITION</b>	1,208,028	(125,666)	(107,327)	(680,910)
Net Position - Beginning of Year	<u>5,688,323</u>	<u>266,443</u>	<u>10,495</u>	<u>946,024</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 6,896,351</u>	<u>\$ 140,777</u>	<u>\$ (96,832)</u>	<u>\$ 265,114</u>

**COUNTY OF MENDOCINO  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges and Fees	\$ 4,983,598	\$ 14,663,729	\$ 22,300,098
Other Revenues	-	-	95,261
Total Operating Revenues	<u>4,983,598</u>	<u>14,663,729</u>	<u>22,395,359</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	83,977	605,593	819,545
Services and Supplies	20,250	715,162	2,407,195
Insurance	4,261,422	1,410,842	7,120,946
Depreciation	-	-	328,054
Claims and Judgments	-	14,791,594	16,006,533
Total Operating Expenses	<u>4,365,649</u>	<u>17,523,191</u>	<u>26,682,273</u>
<b>OPERATING INCOME (LOSS)</b>	617,949	(2,859,462)	(4,286,914)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Other Revenues	-	-	6,968
Interest Revenue (Expense)	825	(24,873)	(42,915)
Total Nonoperating Revenues	<u>825</u>	<u>(24,873)</u>	<u>(35,947)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	618,774	(2,884,335)	(4,322,861)
<b>TRANSFERS IN</b>	-	-	2,617,931
<b>TRANSFERS OUT</b>	<u>(5,820)</u>	<u>(346,084)</u>	<u>(618,410)</u>
<b>CHANGE IN NET POSITION</b>	612,954	(3,230,419)	(2,323,340)
Net Position - Beginning of Year	<u>1,059,246</u>	<u>(443,896)</u>	<u>7,526,635</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,672,200</u>	<u>\$ (3,674,315)</u>	<u>\$ 5,203,295</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts From Interfund Services Provided	\$ 103,167	\$ -	\$ 295,261	\$ 2,352,604
Cash Paid to Employees for Services	-	-	-	(119,379)
Cash Paid to Suppliers for Goods and Services	(1,894,822)	-	(407,634)	(2,366,222)
Net Cash Provided (Used) by Operating Activities	(1,791,655)	-	(112,373)	(132,997)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Noncapital Other Contributions	-	-	-	6,968
Transfers In	2,617,931	-	-	-
Transfers Out	-	-	-	(266,506)
Net Cash Provided (Used) by Noncapital Financing Activities	2,617,931	-	-	(259,538)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(2,323,678)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received (Paid)	(14,037)	(11)	(1,015)	(3,804)
Net Cash Provided (Used) by Investing Activities	(14,037)	(11)	(1,015)	(3,804)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(1,511,439)	(11)	(113,388)	(396,339)
Cash and Cash Equivalents - Beginning of Year	6,038,951	66,647	806,278	1,835,083
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,527,512</b>	<b>\$ 66,636</b>	<b>\$ 692,890</b>	<b>\$ 1,438,744</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (1,395,866)	\$ (125,655)	\$ (106,312)	\$ (417,568)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	202,399	125,655	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	3,000	-	-	-
Increase (Decrease) in:				
Accounts Payable	(601,188)	-	-	72,549
Accrued Salaries	-	-	-	1,959
Compensated Absences	-	-	-	8,637
Claims Liability	-	-	(6,061)	201,426
Net Cash Provided (Used) by Operating Activities	\$ (1,791,655)	\$ -	\$ (112,373)	\$ (132,997)

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Workers' Compensation	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts From Interfund Services Provided	\$ 4,983,598	\$ 15,016,990	\$ 22,751,620
Cash Paid to Employees for Services	(91,128)	(607,142)	(817,649)
Cash Paid to Suppliers for Goods and Services	(4,285,083)	(17,194,814)	(26,148,575)
Net Cash Provided (Used) by Operating Activities	607,387	(2,784,966)	(4,214,604)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Noncapital Other Contributions	-	-	6,968
Transfers In	-	797,071	3,415,002
Transfers Out	(5,820)	(346,084)	(618,410)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,820)	450,987	2,803,560
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	-	-	(2,323,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(2,323,678)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received (Paid)	825	(24,873)	(42,915)
Net Cash Provided (Used) by Investing Activities	825	(24,873)	(42,915)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	602,392	(2,358,852)	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	1,075,810	2,446,520	12,269,289
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,678,202	\$ 87,668	\$ 8,491,652
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 617,949	\$ (2,859,462)	\$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	328,054
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	353,261	356,261
Increase (Decrease) in:			
Accounts Payable	(3,411)	131,966	(400,084)
Accrued Salaries	1,812	(271)	3,500
Compensated Absences	(8,963)	(1,278)	(1,604)
Claims Liability	-	(409,182)	(213,817)
Net Cash Provided (Used) by Operating Activities	\$ 607,387	\$ (2,784,966)	\$ (4,214,604)

**INVESTMENT TRUST FUNDS**



## **COUNTY OF MENDOCINO INVESTMENT TRUST FUNDS**

### **INVESTMENT TRUST FUNDS**

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

- **SPECIAL DISTRICTS LOCAL BOARDS**  
These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for special districts local boards.
  
- **SCHOOL DISTRICTS**  
These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for the Counties' schools and college.

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION – INVESTMENT TRUST FUND**  
**JUNE 30, 2021**

	<u>Special Districts Local Boards</u>	<u>School Districts</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments in County Treasury	<u>\$ 21,251,272</u>	<u>\$ 192,699,694</u>	<u>\$ 213,950,966</u>
<b>NET POSITION</b>			
Restricted for Pool Participants	<u>\$ 21,251,272</u>	<u>\$ 192,699,694</u>	<u>\$ 213,950,966</u>



**COUNTY OF MENDOCINO  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY  
 NET POSITION – INVESTMENT TRUST FUND  
 YEAR ENDED JUNE 30, 2021**

	Special Districts <u>Local Boards</u>	School Districts <u>Districts</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions on Pooled Investments	\$ 18,872,457	\$ 317,952,746	\$ 336,825,203
Interest and Investment Income	(35,197)	22,947	(12,250)
Total Additions	<u>18,837,260</u>	<u>317,975,693</u>	<u>336,812,953</u>
<b>DEDUCTIONS</b>			
Distributions from Investment Pool	<u>20,624,272</u>	<u>308,353,502</u>	<u>328,977,774</u>
Total Deductions	<u>20,624,272</u>	<u>308,353,502</u>	<u>328,977,774</u>
<b>CHANGE IN NET POSITION</b>	(1,787,012)	9,622,191	7,835,179
Net Position - Beginning of Year, Restated	<u>23,038,284</u>	<u>183,077,503</u>	<u>206,115,787</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 21,251,272</u></u>	<u><u>\$ 192,699,694</u></u>	<u><u>\$ 213,950,966</u></u>





# STATISTICAL SECTION



– STATISTICAL SECTION PHOTO –  
*Russian Gulch State Park, Mendocino, CA; photo by Megan Miltimore*

**COUNTY OF MENDOCINO  
STATISTICAL SECTION**

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

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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



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

[2]

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 74,699	\$ 75,464	\$ 77,487	\$ 83,929	\$ 89,588
Restricted	23,253	29,746	30,589	29,584	30,684
Unrestricted	<u>(31,191)</u>	<u>(26,506)</u>	<u>(28,097)</u>	<u>(162,305)</u>	<u>(159,976)</u>
Total Primary Government Net Position	<u>\$ 66,761</u>	<u>\$ 78,704</u>	<u>\$ 79,979</u>	<u>\$ (48,792)</u>	<u>\$ (39,704)</u>
	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 94,282	\$ 102,445	\$ 109,538	\$ 109,188	\$ 129,961
Restricted	33,815	50,179	70,808	70,808	105,021
Unrestricted	<u>(163,487)</u>	<u>(177,033)</u>	<u>(177,546)</u>	<u>(160,349)</u>	<u>(191,378)</u>
Total Primary Government Net Position	<u>\$ (35,390)</u>	<u>\$ (24,409)</u>	<u>\$ 2,800</u>	<u>\$ 19,647</u>	<u>\$ 43,604</u>

Notes:

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

Source: Mendocino County Auditor-Controller

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
<b>Expenses (by Function)</b>					
Governmental Activities:					
General Government	\$ 17,900	\$ 12,977	\$ 15,163	\$ 15,424	\$ 17,558
Public Protection	48,624	49,524	52,834	55,033	56,687
Public Ways and Facilities	12,784	13,697	13,130	15,381	12,394
Health and Sanitation	35,317	30,084	35,195	36,322	32,292
Public Assistance	55,459	54,622	58,200	58,778	67,853
Education	1,754	2,115	2,635	2,965	3,540
Recreation and Culture	318	411	454	611	599
Debt Service:					
Interest	6,808	6,148	4,977	4,710	4,484
Total Primary Government Expenses	<u>\$ 178,964</u>	<u>\$ 169,578</u>	<u>\$ 182,588</u>	<u>\$ 189,224</u>	<u>\$ 195,407</u>

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
<b>Expenses (by Function)</b>					
Governmental Activities:					
General Government	\$ 19,054	\$ 18,343	\$ 18,901	\$ 22,640	\$ 22,851
Public Protection	64,849	69,949	69,229	77,464	84,642
Public Ways and Facilities	14,232	13,277	16,113	22,550	22,350
Health and Sanitation	30,904	49,695	53,071	57,374	70,044
Public Assistance	70,006	72,611	71,373	77,122	80,230
Education	3,685	3,812	4,092	4,174	3,937
Recreation and Culture	536	461	524	554	617
Debt Service:					
Interest	4,252	4,087	3,870	3,405	2,923
Total Primary Government Expenses	<u>\$ 207,518</u>	<u>\$ 232,235</u>	<u>\$ 237,173</u>	<u>\$ 265,284</u>	<u>\$ 287,593</u>

Source: Mendocino County Auditor-Controller



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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
<b>Program Revenue (by Function)</b>					
Governmental Activities:					
General Government	\$ 3,475	\$ 2,947	\$ 2,911	\$ 2,846	\$ 3,220
Public Protection	8,752	8,105	9,954	9,306	9,987
Public Ways and Facilities	329	303	268	234	247
Health and Sanitation	4,106	4,130	3,218	3,692	4,114
Public Assistance	281	100	142	274	219
Education	36	49	49	62	50
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	93,886	101,039	102,164	105,656	110,986
Capital Grants and Contributions	2,666	3,484	4,431	6,410	6,391
Total Primary Government Program Revenues	<u>113,531</u>	<u>120,157</u>	<u>123,137</u>	<u>128,480</u>	<u>135,214</u>
 Total Primary Net Expense	<u>\$ (65,433)</u>	<u>\$ (49,421)</u>	<u>\$ (59,451)</u>	<u>\$ 123,770</u>	<u>\$ (60,193)</u>
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
<b>Program Revenue (by Function)</b>					
Governmental Activities:					
General Government	\$ 3,731	\$ 4,403	\$ 9,111	\$ 3,639	\$ 4,024
Public Protection	11,091	9,626	9,602	10,321	9,045
Public Ways and Facilities	263	325	955	346	482
Health and Sanitation	3,843	5,944	10,696	6,396	7,934
Public Assistance	444	539	523	400	620
Education	57	-	58	29	787
Recreation and Culture	-	-	10	17	10
Operating Grants and Contributions	115,677	130,234	135,467	145,481	177,464
Capital Grants and Contributions	4,974	3,756	6,468	3,191	3,405
Total Primary Government Program Revenues	<u>140,080</u>	<u>154,827</u>	<u>172,890</u>	<u>169,821</u>	<u>203,771</u>
 Total Primary Net Expense	<u>\$ (67,438)</u>	<u>\$ (77,408)</u>	<u>\$ (64,282)</u>	<u>\$ (95,463)</u>	<u>\$ (83,821)</u>

Source: Mendocino County Auditor-Controller

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
<b>General Revenues &amp; Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 40,622	\$ 41,490	\$ 41,090	\$ 43,773	\$ 46,801
Sales and Use Taxes	10,723	12,752	13,396	14,687	14,507
Transient Occupancy Tax	3,556	3,618	3,856	4,491	4,945
Other	287	334	388	426	429
Unrestricted Interest and Investment Earning	1,026	780	375	274	431
Gain on Sale of Assets	-	-	155	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	2,428	1,939	1,467	4,258	2,168
Total Primary Government	<u>58,642</u>	<u>60,913</u>	<u>60,727</u>	<u>67,909</u>	<u>69,281</u>
<b>Change in Net Position</b>					
Total Primary Government	<u>\$ (6,791)</u>	<u>\$ 11,492</u>	<u>\$ 1,276</u>	<u>\$ 67,909</u>	<u>\$ 9,088</u>
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
<b>General Revenues &amp; Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 48,171	\$ 50,490	\$ 51,843	\$ 51,500	\$ 55,715
Sales and Use Taxes	14,912	17,480	25,084	24,743	31,030
Transient Occupancy Tax	5,152	5,682	5,872	4,785	7,961
Other	504	2,025	4,660	6,227	6,727
Unrestricted Interest and Investment Earning	719	1,396	1,683	3,141	549
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	-	-	22,652	-
Miscellaneous	2,294	2,638	2,347	2,136	2,375
Total Primary Government	<u>71,752</u>	<u>79,711</u>	<u>91,490</u>	<u>115,183</u>	<u>104,357</u>
<b>Change in Net Position</b>					
Total Primary Government	<u>\$ 4,314</u>	<u>\$ 2,303</u>	<u>\$ 27,208</u>	<u>\$ 19,721</u>	<u>\$ 20,535</u>

Source: Mendocino County Auditor-Controller

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

	2012	2013	June 30, 2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ 102	\$ 77	\$ 91	\$ 115	\$ 133
Restricted	-	-	-	-	-
Assigned	221	-	15,572	19,403	24,390
Unassigned	12,147	18,682	11,693	15,330	12,938
<b>Total General Fund</b>	<b>\$ 12,470</b>	<b>\$ 18,759</b>	<b>\$ 27,356</b>	<b>\$ 34,848</b>	<b>\$ 37,461</b>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 597	\$ 589	\$ 651	\$ 692	\$ 666
Restricted	16,815	20,776	25,281	24,060	24,094
Assigned	-	-	-	-	407
Unassigned	(9)	(10)	(9)	(10)	-
<b>Total All Other Governmental Funds</b>	<b>17,403</b>	<b>21,355</b>	<b>25,923</b>	<b>24,742</b>	<b>25,167</b>
<b>Total Governmental Funds Balances</b>	<b>\$ 29,873</b>	<b>\$ 40,114</b>	<b>\$ 53,279</b>	<b>\$ 59,590</b>	<b>\$ 62,628</b>
			June 30,		
	2017	2018	2019	2020	2021
<b>General Fund</b>					
Nonspendable	\$ 115	\$ 139	\$ 177	\$ 230	\$ 263
Restricted	-	7,071	8,330	9,074	8,714
Assigned	27,541	29,626	25,887	25,542	50,404
Unassigned	8,931	6,936	12,336	35,503	21,605
<b>Total General Fund</b>	<b>\$ 36,587</b>	<b>\$ 43,772</b>	<b>\$ 46,730</b>	<b>\$ 70,349</b>	<b>\$ 80,987</b>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 525	\$ 589	\$ 534	\$ 571	\$ 1,208
Restricted	33,357	31,286	46,947	57,594	65,322
Assigned	997	587	771	1,138	1,121
Unassigned	(1)	-	(22)	(1,536)	-
<b>Total All Other Governmental Funds</b>	<b>34,878</b>	<b>32,462</b>	<b>48,230</b>	<b>57,767</b>	<b>67,652</b>
<b>Total Governmental Funds Balances</b>	<b>\$ 71,465</b>	<b>\$ 76,234</b>	<b>\$ 94,960</b>	<b>\$ 128,117</b>	<b>\$ 148,639</b>

Source: Mendocino County Auditor-Controller

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
<b>Revenues</b>					
Taxes	\$ 55,960	\$ 58,193	\$ 58,730	\$ 63,378	\$ 66,682
Licenses, Permits, and Franchises	2,723	2,799	2,913	2,925	2,812
Intergovernmental	97,596	101,447	109,770	112,479	115,851
Revenue from Use of Money and Property	771	735	338	247	387
Fines, Forfeitures, and Penalties	2,345	1,738	3,019	1,856	1,940
Charges for Services	11,985	10,873	10,676	11,621	12,995
Other Revenues	2,428	1,939	1,623	4,258	2,168
Total Revenues	<u>\$ 173,808</u>	<u>\$ 177,724</u>	<u>\$ 187,069</u>	<u>\$ 196,764</u>	<u>\$ 202,835</u>
<b>Expenditures</b>					
Current:					
General Government	\$ 13,371	\$ 12,786	\$ 13,624	\$ 13,854	\$ 15,524
Public Protection	42,969	44,681	47,135	50,825	55,365
Public Ways and Facilities	9,661	12,999	14,118	20,052	17,025
Health and Sanitation	28,999	29,080	28,563	32,915	32,859
Public Assistance	52,835	52,733	56,487	57,052	63,626
Education	1,562	1,997	2,459	2,765	2,998
Recreation and Culture	295	386	421	521	551
Debt Service:					
Principal	5,269	5,422	4,765	4,986	5,214
Interest	7,453	5,686	5,073	4,821	4,602
Capital Outlay	6,229	1,045	1,018	2,234	1,029
Total Expenditures:	<u>168,643</u>	<u>166,815</u>	<u>173,663</u>	<u>190,025</u>	<u>198,793</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 5,165</u>	<u>\$ 10,909</u>	<u>\$ 13,406</u>	<u>\$ 6,739</u>	<u>\$ 4,042</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ 14,886	\$ 15,699	\$ 16,454	\$ 16,190	\$ 17,305
Transfers Out	(15,113)	(15,896)	(16,696)	(16,618)	(18,310)
Issuance of Refunding Debt	25,810	-	-	-	-
Payment to Refunded Bond Escrow Agent	(24,130)	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 1,453</u>	<u>\$ (197)</u>	<u>\$ (242)</u>	<u>\$ (428)</u>	<u>\$ (1,005)</u>
<b>Extraordinary Item</b>					
RDA Dissolution	<u>\$ (1,405)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Changes in Fund Balances</b>	<u>\$ 5,213</u>	<u>\$ 10,712</u>	<u>\$ 13,164</u>	<u>\$ 6,311</u>	<u>\$ 3,037</u>
Debt Service as a Percentage of Noncapital Expenditures	7.83%	6.70%	5.70%	5.22%	4.96%

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

Source: Mendocino County Auditor-Controller

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

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
<b>Revenues</b>					
Taxes	\$ 68,739	\$ 75,677	\$ 87,460	\$ 87,255	\$ 101,433
Licenses, Permits, and Franchises	3,377	4,361	4,963	5,270	5,477
Intergovernmental	124,372	126,097	141,152	153,219	173,640
Revenue from Use of Money and Property	622	1,218	1,505	2,824	592
Fines, Forfeitures, and Penalties	1,619	1,475	1,517	1,413	978
Charges for Services	14,629	15,138	19,408	14,366	16,428
Other Revenues	1,849	2,071	2,347	24,788	2,375
Total Revenues	<u>\$ 215,207</u>	<u>\$ 226,037</u>	<u>\$ 258,353</u>	<u>\$ 289,135</u>	<u>\$ 300,924</u>
<b>Expenditures</b>					
Current:					
General Government	\$ 15,554	\$ 15,732	\$ 16,793	\$ 17,206	\$ 19,034
Public Protection	56,020	62,481	64,257	68,314	75,440
Public Ways and Facilities	14,978	15,349	20,239	20,826	21,857
Health and Sanitation	36,814	48,410	52,052	55,034	67,956
Public Assistance	65,624	68,936	68,425	71,621	74,985
Education	3,409	3,523	3,965	3,753	3,549
Recreation and Culture	462	405	468	470	541
Debt Service:					
Principal	5,470	5,745	6,035	6,345	6,670
Interest	4,376	4,218	4,008	3,626	3,081
Capital Outlay	3,706	5,297	2,848	4,866	20,097
Total Expenditures	<u>206,413</u>	<u>230,096</u>	<u>239,092</u>	<u>252,062</u>	<u>293,210</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 8,794</u>	<u>\$ (4,059)</u>	<u>\$ 19,262</u>	<u>\$ 37,073</u>	<u>\$ 7,714</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ 21,279	\$ 20,186	\$ 19,050	\$ 21,272	\$ 54,432
Transfers Out	(21,235)	(20,036)	(19,585)	(25,188)	(56,432)
Issuance of Refunding Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 44</u>	<u>\$ 150</u>	<u>\$ (535)</u>	<u>\$ (3,916)</u>	<u>\$ (2,000)</u>
<b>Extraordinary Item</b>					
RDA Dissolution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Changes in Fund Balances</b>	<u>\$ 8,838</u>	<u>\$ (3,909)</u>	<u>\$ 18,726</u>	<u>\$ 33,156</u>	<u>\$ 5,714</u>
Debt Service as a Percentage of Noncapital Expenditures	4.86%	4.43%	4.25%	4.03%	3.64%

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

Fiscal Year	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	Total Direct Tax Rate
2012	\$ 9,872,631	\$ 371,954	\$ (270,752)	\$ 9,973,833	1.00 %
2013	9,820,376	371,189	(281,736)	9,909,829	1.00
2014	9,976,381	358,517	(299,898)	10,035,000	1.00
2015	10,206,167	367,186	(341,186)	10,232,167	1.00
2016	10,548,988	365,106	(367,170)	10,546,924	1.00
2017	10,948,983	376,939	(386,910)	10,939,012	1.00
2018	11,412,322	365,378	(406,068)	11,371,632	1.00
2019	11,863,702	384,724	(418,358)	11,830,068	1.00
2020	12,251,471	391,328	(435,039)	12,207,760	1.00
2021	12,792,627	377,022	(533,417)	12,636,232	1.00

Notes:

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

Source: Mendocino County Property Tax Records

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

Fiscal Year	Basic Countywide Levy	Unitary Debt Service	Schools	Junior College	Special Districts	Incorporated Cities	Total
2012	1.0000 %	0.2300 %	0.5110 %	0.0560 %	0.0390 %	0.0060 %	1.8420 %
2013	1.0000	0.2330	0.6110	0.0560	0.0400	-	1.9400
2014	1.0000	0.2590	0.6040	0.0540	0.0280	-	1.9450
2015	1.0000	0.2600	0.6520	0.0540	0.0280	-	1.9940
2016	1.0000	0.2620	0.6040	0.0500	0.0320	-	1.9480
2017	1.0000	0.2700	0.8700	0.0700	0.0100	-	2.2200
2018	1.0000	0.2990	0.7770	0.0690	0.0150	-	2.1600
2019	1.0000	0.3130	0.7910	0.0680	0.0130	-	2.1850
2020	1.0000	0.3240	0.8370	0.0700	0.0130	-	2.2440
2021	1.0000	0.3460	0.8410	0.0700	0.0130	-	2.2700

Source: Mendocino County Property Tax Records

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

Fiscal Year Ended June 30, 2021	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	\$3,648,483	2.35 %
Mendocino Forest Products, Inc.	Mfg./Sawmill	898,778	0.58
VCT USA, Inc. (Fetzer)	Vineyard/Winery	714,401	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	514,638	0.33
Waterfowl Wine Company	Vineyard/Winery	403,180	0.26
Vintage Wine Estates, Inc.	Vineyard/Winery	390,271	0.25
Costco Wholesale Corporation	Retail Sales	279,742	0.18
Lyme Redwood Timberlands LLC	Timberland	249,682	0.16
Pear Tree REH LLC	Shopping Center	236,119	0.15
Pacific Bell Telephone Co.	Communicatons	221,188	0.14
Total Principal Property Taxpayers		7,556,482	4.88 %
All Other Taxes Levied		147,401,921	95.12
TOTAL		<u>\$ 154,958,403</u>	<u>100.00 %</u>

Fiscal Year Ended June 30, 2012	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	\$ 2,030,377	1.77 %
Fetzer Vineyards	Vineyard/Winery	942,377	0.82
Mendocino Forest Products, Inc.	Mfg./Sawmill	526,538	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	458,271	0.40
Pacific Bell Telephone Co.	Communication	424,416	0.37
Georgia Pacific Corp.	Industrial Site	351,783	0.31
Heritage Wine, LLC	Vineyard/Winery	257,146	0.22
Hawthorne Timber Co.	Timberland	231,766	0.20
Pear Orchard Associates	Shopping Center	199,173	0.17
Safeway, Inc.	Grocery	171,091	0.15
Total Principal Property Taxpayers		5,592,939	4.88 %
All Other Taxes Levied		109,058,112	95.12
TOTAL		<u>\$ 114,651,051</u>	<u>100.00 %</u>

Source: Mendocino County Property Tax Records



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

Fiscal Year	Secured, Unitary & Unsecured Tax Levies	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [3]	Delinquent Amount	Percent of Levy Delinquent
		Collected Amount	Percent of Original Levy			
2012	\$ 100,229	\$ 96,589	96.37 %	<i>nda</i>	\$ 3,640	3.63 %
2013	99,945	96,699	96.75	<i>nda</i>	3,246	3.25
2014	101,867	98,876	97.06	<i>nda</i>	2,991	2.94
2015	103,757	100,788	97.14	<i>nda</i>	2,969	2.86
2016	107,494	104,617	97.32	<i>nda</i>	2,877	2.68
2017	111,699	108,468	97.11	<i>nda</i>	3,231	2.89
2018	116,240	112,818	97.06	<i>nda</i>	3,422	2.94
2019	121,182	117,506	96.97	<i>nda</i>	3,677	3.03
2020	125,471	121,262	96.65	<i>nda</i>	4,209	3.35
2021	147,503	142,617	96.69	<i>nda</i>	4,885	3.31

Notes:

1. Includes Secured, Unsecured, and Unitary Taxes levied for the county itself, school districts, cities, and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.
2. Does not include bond tax or direct tax levies.
3. No data available (*nda*). Collections in Subsequent Years are not available from the County's current property tax system.

Source: Mendocino County Auditor-Controller

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

Type of Business	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Motor Vehicle & Parts Dealers	\$ 115,334	\$ 125,117	\$ 136,193	\$ 149,385	\$ 170,993
Home Furnishings & Appliance Stores	24,828	26,922	29,000	29,602	30,461
Building/Garden Material & Equipment	130,832	138,031	142,562	151,499	169,373
Food and Beverage Stores	107,362	109,465	107,522	109,872	113,917
Gasoline Stations	198,884	209,704	211,714	196,341	167,570
Clothing & Clothing Accessories Stores	29,056	31,652	33,875	36,104	38,214
General Merchandise Stores	81,063	81,096	80,647	82,826	87,482
Food Services and Drinking Places	102,203	108,296	116,533	127,399	139,064
Other Retail	116,692	123,091	128,269	132,419	139,921
Total Retail & Food Services	906,255	953,373	986,313	1,015,446	1,056,995
All Other Outlets	281,559	307,093	332,657	340,664	346,703
Totals	<u>\$ 1,187,814</u>	<u>\$ 1,260,466</u>	<u>\$ 1,318,970</u>	<u>\$ 1,356,109</u>	<u>\$ 1,403,698</u>

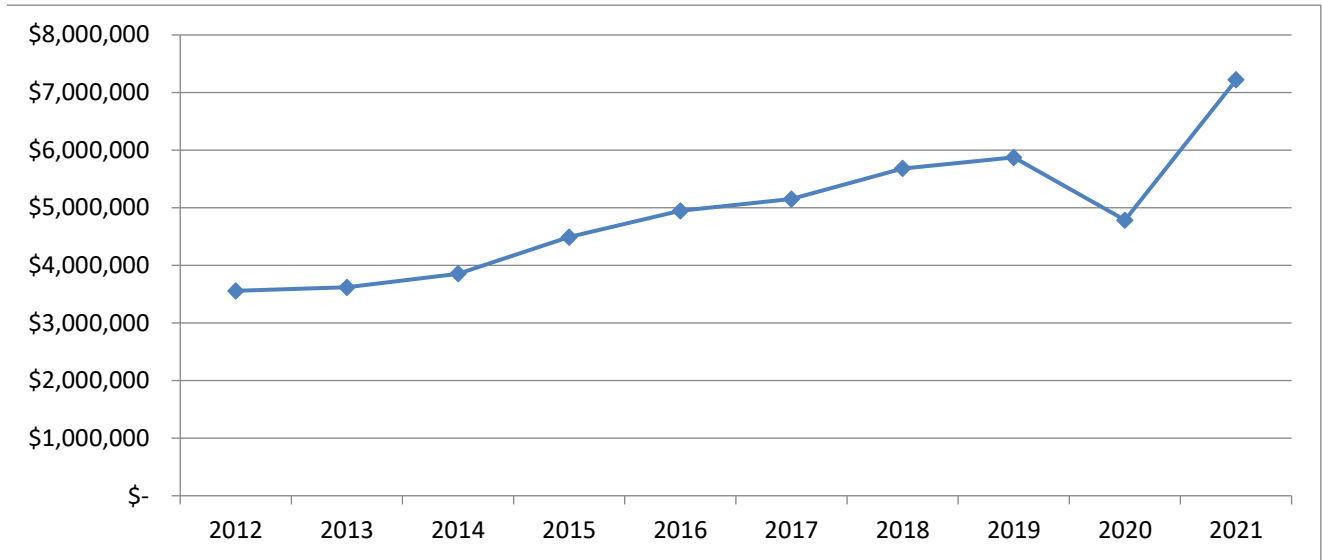
Type of Business	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Motor Vehicle & Parts Dealers	\$ 181,773	\$ 183,042	\$ 180,355	\$ 206,502	\$ 245,473
Home Furnishings & Appliance Stores	27,913	27,654	26,134	26,901	35,418
Building/Garden Material & Equipment	176,471	168,996	174,335	208,847	254,826
Food and Beverage Stores	115,181	119,226	112,069	117,617	134,755
Gasoline Stations	169,709	202,565	203,166	182,512	209,082
Clothing & Clothing Accessories Stores	39,382	38,742	40,859	36,727	49,211
General Merchandise Stores	86,588	87,186	145,673	159,642	179,132
Food Services and Drinking Places	144,571	143,818	145,768	125,873	138,571
Other Retail	146,801	148,291	161,435	205,460	281,913
Total Retail & Food Services	1,088,387	1,119,521	1,189,794	1,270,080	1,528,382
All Other Outlets	348,929	347,423	336,996	355,165	457,692
Totals	<u>\$ 1,437,317</u>	<u>\$ 1,466,943</u>	<u>\$ 1,526,790</u>	<u>\$ 1,625,245</u>	<u>\$ 1,986,074</u>

Note: Values are shown on a fiscal year basis (quarters 3 & 4 of prior year, plus quarters 1 & 2 of current year).  
Data for fiscal years 2016-present is from CDTFA (California Department of Tax and Fee Administration),  
using published quarterly values. Data for fiscal years 2012-2015 is from State Board of Equalization,  
based on an average of the two calendar years included in the fiscal year period.

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

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

Fiscal Year	Annual Revenue	Growth Rate
2012	\$ 3,556,307	7.98 %
2013	3,617,553	1.72
2014	3,855,504	6.58
2015	4,491,130	16.49
2016	4,944,101	10.09
2017	5,152,109	4.21
2018	5,682,028	10.29
2019	5,872,388	3.35
2020	4,784,925	(18.52)
2021	7,219,977	50.89



Source: Mendocino County Auditor-Controller

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

Fiscal Year	Governmental Activities				Total Governmental Activities [1]	Per Capita [2]	Percentage of Personal Debt Limit [2]
	Certificates of Participation	Pension Obligation Bonds	Capital Leases	Long- Term Loans			
2012	\$ 24,505	\$ 79,575	\$ -	\$ 936	\$ 105,016	\$ 1,207	3.10 %
2013	23,530	76,000	-	65	99,595	1,145	2.87
2014	22,545	72,245	-	39	94,829	1,090	2.58
2015	21,525	68,305	-	13	89,843	1,033	2.33
2016	20,480	64,150	-	-	84,630	962	2.13
2017	19,395	59,765	-	-	79,160	900	1.89
2018	18,280	55,135	-	-	73,415	829	1.67
2019	17,130	50,250	-	-	67,380	777	1.53
2020	15,940	45,095	-	-	61,035	709	1.29
2021	14,710	39,655	-	-	54,365	632	1.15

Notes:

1. Shows all debt shown for governmental activities.
2. See the "Demographics and Economic Statistics" schedule for population figures. Prior year figures have been updated with 2020 demographics, published in November of 2021.

Source: Mendocino County Auditor-Controller

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

Fiscal Year	Total Assessed Valuation	Legal Debt Limit [1]	Total Net Debt Applicable to Exemptions [2]	Legal Debt Margin [3]	Legal Debt Margin/ Debt Limit
2012	\$ 9,973,833	\$ 124,673	\$ -	\$ 124,673	100 %
2013	9,909,829	123,873	-	123,873	100
2014	10,035,000	125,438	-	125,438	100
2015	10,232,167	127,902	-	127,902	100
2016	10,546,924	131,837	-	131,837	100
2017	10,939,012	136,738	-	136,738	100
2018	11,371,632	142,145	-	142,145	100
2019	11,830,068	147,876	-	147,876	100
2020	12,207,760	152,597	-	152,597	100
2021	12,636,232	157,953	-	157,953	100

Notes:

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

Source: Mendocino County Property Tax Records

**COUNTY OF MENDOCINO  
ASSESSED VALUATION  
JUNE 30, 2021**

2020-21 Assessed Valuation (Includes Unitary Utility Valuation)	\$ 12,636,231,964		County's Share
	Total Debt at	Percentage	of Debt at
	June 30, 2021	Applicable	June 30, 2021
<u>DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT</u>			
Mendocino County Certificates of Participation	\$ 14,710,000	100.000	\$ 14,710,000
Mendocino County Pension Obligation Bonds	39,655,000	100.000	39,655,000
<b>TOTAL DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT</b>			<b>54,365,000</b>
 <u>DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT</u>			
Anderson Valley Unified School District	6,370,801	100.000	6,370,801
Arena Union School District	1,159,062	100.000	1,159,062
Fort Bragg Unified School District	37,324,101	100.000	37,324,101
Laytonville Unified School District	7,565,000	100.000	7,565,000
Mendocino Coast Hospital District	4,130,746	100.000	4,130,746
Mendocino Lake Community College District	82,095,656	66.920	54,938,413
Mendocino Unified School District	26,729,522	100.000	26,729,522
Point Arena Joint Union High School District	-	59.350	-
Potter Valley Unified School District	2,735,000	100.000	2,735,000
Redwoods Joint Community College District	23,865,000	13.660	3,259,959
Round Valley Unified School District	8,250,423	100.000	8,250,423
Sonoma County Joint Community College District 2002	131,280,000	1.120	1,470,336
Sonoma County Joint Community College District 2014	224,925,000	1.120	2,519,160
Southern Humboldt Unified School District	20,957,855	2.160	452,690
Ukiah Unified School District	64,841,421	100.000	64,841,421
Willits Unified School District	14,837,054	100.000	14,837,054
<b>TOTAL DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT</b>			<b>236,583,688</b>
 TOTAL DIRECT DEBT			54,365,000
TOTAL OVERLAPPING DEBT			236,583,688
<b>COMBINED TOTAL DEBT</b>			<b>\$ 290,948,688</b>

RATIOS of 2020-21 ASSESSED VALUATIONS

Total Direct Debt (\$54,365,000) . . . . .	0.430%
Total Overlapping Tax and Assessment Debt . . . . .	1.872%
Total Combined Debt . . . . .	2.302%

Notes:

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

Source: Mendocino County Auditor-Controller

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

<u>Fiscal Year</u>	<u>Population [1]</u>	<u>Per Capita Income [1]</u>	<u>Total Personal Income (000's) [1]</u>	<u>Median Age [2]</u>	<u>School Enrollment [3]</u>	<u>Unemployment Rate [4]</u>
2011	87,442	\$ 38,493	\$ 3,365,946	41.4	12,992	11.4 %
2012	87,409	38,737	3,385,984	41.7	13,049	10.0
2013	87,207	39,814	3,472,065	41.8	13,100	8.3
2014	87,449	42,051	3,677,284	42.0	13,148	7.0
2015	87,353	44,161	3,857,573	42.2	13,009	5.8
2016	87,628	45,436	3,981,438	42.3	13,210	5.3
2017	88,018	47,646	4,193,701	42.7	13,174	4.5
2018	87,606	50,150	4,393,445	42.4	13,203	3.9
2019	86,749	52,976	4,595,625	42.8	13,131	4.0
2020	86,061	54,795	4,715,675	43.1	13,245	8.9
2021	-	-	-	-	12,881	-

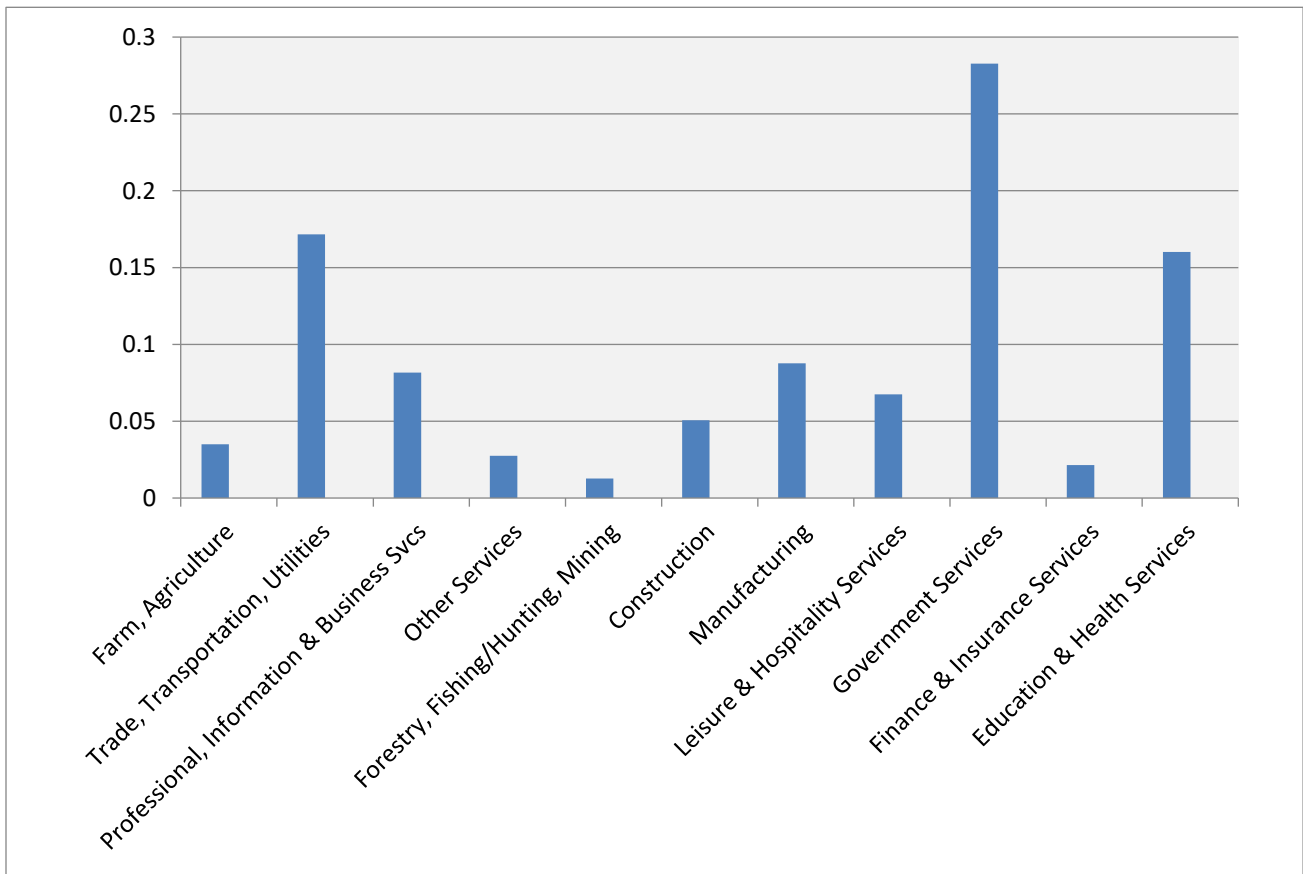
Note: Current Calendar Year data not yet available.

Source:

1. Bureau of Economic Analysis, 2020 data published November 16, 2021.
2. California Employment Development Department; Labor Market Info Division; 2015-19 5-yr survey.
3. California Department of Education, Demographics, Dataquest, County, Enrollment Data, FY 2020-21.
4. California Employment Development Department, Labor Market Info Division; Report 400 C, Monthly Labor Force Data for Counties, Annual Average 2020 (March 12, 2021 March 2020 Benchmark)

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

Industry Employment Distribution	Compensation	Percent
Farm, Agriculture	\$ 69,081	3.5 %
Trade, Transportation, Utilities	358,181	18.3
Professional, Information & Business Svcs	175,655	9.0
Other Services	55,886	2.9
Forestry, Fishing/Hunting, Mining	26,659	1.4
Construction	101,360	5.2
Manufacturing	179,225	9.1
Leisure & Hospitality Services	101,529	5.2
Government Services	534,271	27.3
Finance & Insurance Services	42,210	2.2
Education & Health Services	316,394	16.1
	<b>\$ 1,960,451</b>	<b>100.0 %</b>



Source: Bureau of Economic Analysis, 2020 data published November 16, 2021.



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

2021 Principal Employers	Location	Industry
Adventist Health Howard Meml	Willits	Hospitals
Adventist Health Mendocino Cst	Fort Bragg	Hospitals
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
California Department-Forestry	Willits	Fire Departments
Costco Wholesale	Ukiah	Wholesale Clubs
Coyote Valley Casino	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Wineries (mfrs)
Mendocino Community Health	Ukiah	Clinics
Mendocino County	Ukiah, Fort Bragg, Willits	Government Offices-County
Mendocino Co. Office of Education	Ukiah	Boards of Education
Mendocino Redwood Co LLC	Calpella	Restaurants
Metalfx Inc	Willits	Sheet Metal Fabricators (mfrs)
Pacific Coast Farm Credit	Ukiah	Loans-Agricultural
Pacific Medical Resources	Fort Bragg	Nursing Services
Safeway	Fort Bragg	Grocers-Retail
Sawmill	Ukiah	Sawmills & Planing Mills-General (mfrs)
Ukiah City Civic Ctr	Ukiah	Government Offices-City/Village & Twp
Ukiah High School	Ukiah	Schools
Ukiah Valley Medical Ctr	Ukiah	Hospitals
Walmart	Ukiah	Department Stores

2012 Principal Employers	Location	Industry
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
City of Ukiah	Ukiah	City Services
County of Mendocino	Ukiah	County Services
Coyote Valley Tribe of Pomo Indians	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Vineyard/Winery
Hopland Band of Pomo Indians	Hopland	Casinos
Mendocino Coast Auxiliary Hospital	Fort Bragg	Hospitals
Mendocino Coast Health Care	Fort Bragg	Outpatient Services
Mendocino Lake Community College	Ukiah	Education
Safeway	Ukiah	Grocery
Ukiah Unified School District	Ukiah	Education
Wal-Mart Stores, Inc.	Ukiah	Retail
Willits Hospital	Willits	Hospitals

Notes:

1. Major Employers, per California Employment Development Dept (EDD), Labor Market Information (LMI) data, LMI by Subject, Industries, Major Employers in each California County, Mendocino (edited). Per EDD webpage reference, the list was extracted from ALMIS Employer Database, 2022 2nd Edition.

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>GOVERNMENTAL</b>										
General Government	144.60	140.60	143.10	132.50	134.50	135.50	144.50	145.50	148.50	148.50
Public Protection	434.80	435.80	439.80	440.80	449.80	454.80	462.80	465.80	465.30	464.00
Public Ways & Facilities	130.10	127.10	127.10	126.60	125.60	124.60	127.60	127.60	126.60	126.60
Health and Sanitation	288.90	264.90	251.10	222.20	213.20	208.20	195.80	191.80	193.80	194.05
Public Assistance	439.00	423.00	426.00	423.00	420.00	420.00	421.00	426.00	427.00	426.00
Recreation & Education	29.30	35.55	38.55	40.05	40.05	40.05	44.05	41.05	41.05	44.50
Total Governmental	<u>1,466.70</u>	<u>1,426.95</u>	<u>1,425.65</u>	<u>1,385.15</u>	<u>1,383.15</u>	<u>1,383.15</u>	<u>1,395.75</u>	<u>1,397.75</u>	<u>1,402.25</u>	<u>1,403.65</u>
<b>SPECIAL DISTRICTS</b>										
Water Resource Agency	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Air Quality Mgmt District	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Total Special Districts	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
<b>TOTAL All Positions</b>	<u><u>1,476.70</u></u>	<u><u>1,436.95</u></u>	<u><u>1,435.65</u></u>	<u><u>1,395.15</u></u>	<u><u>1,394.15</u></u>	<u><u>1,394.15</u></u>	<u><u>1,406.75</u></u>	<u><u>1,406.75</u></u>	<u><u>1,411.25</u></u>	<u><u>1,412.65</u></u>

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

Source: Mendocino County Adopted Budget Book, Position Allocations

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

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>GENERAL GOVERNMENT</b>										
Assessor (BU 1120)										
Deeds Processed	3,629	4,143	3,799	4,074	4,089	4,124	4,046	3,781	3,726	3,973
Appraisals Completed	<i>nda</i>	14,319	13,183	12,580	13,611	13,630	13,023	12,449	7,977	12,212
Elections (BU 1410)										
Registration Cards Processed	5,773	7,921	5,012	5,295	17,575	11,078	8,689	22,195	28,249	27,561
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	27,572	27,410	28,037	26,176	23,808	24,317	22,184	25,331	24,103	26,623
Marriage Licenses Issued	486	513	593	507	588	548	489	554	404	260
Fictitious Business Names Filed	859	831	862	893	903	912	806	894	651	676
<b>PUBLIC PROTECTION</b>										
Adult Corrections (BU 2510)										
Prisoners Booked	5,661	5,765	5,597	5,056	4,989	4,007	7,505	4,831	3,728	3,672
Average Daily Population	253	266	292	301	305	304	303	286	258	239
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	4,918	4,615	4,421	4,200	4,003	3,882	3,838	3,799	3,474	3,205
TOTAL Collections	\$6.18M	\$6.25M	\$5.86M	\$5.78M	\$5.63M	\$5.54M	\$5.64M	\$5.73M	\$5.66M	\$6.45M
Cases with Support Order	91%	93%	94%	94%	94%	94%	93%	93%	93%	94%
Collections w/Mnthly Supp Obligation	61%	66%	67%	68%	68%	68%	67%	68%	69%	69%
Cases w/Collections on Past Due	61%	65%	65%	66%	67%	69%	68%	69%	74%	73%
District Attorney (BU 2070)										
Sentences to State Prison	117	130	97	148	141	151	128	124	114	81
Realignment County Prison [1]	44	65	72	95	99	77	64	43	48	32
Planning and Building (BU 2851)										
Planning Applications	481	541	644	765	833	1,448	415	522	661	632
Building and Grading Permits	1,545	1,806	1,772	1,880	2,020	2,376	2,260	2,938	3,960	4,264
Building Inspections	6,571	8,086	7,282	6,292	5,633	6,389	7,030	9,857	8,757	9,699
Probation (BU 2560) [3]										
Adult Reports	<i>nda</i>	374	475	571	613	568	524	536	445	cal yr
Juvenile Reports	<i>nda</i>	367	280	229	196	127	184	195	142	cal yr
Juvenile Hall Bookings	504	403	267	296	273	303	311	201	119	cal yr
Juvenile Hall AVG Daily Population [2]	24	21	11	14	22	20	16	13	8	cal yr

Notes:

1. Prison commitments served in County jail due to realignment statues, effective October 1, 2011.
2. 2015-2017 includes juveniles housed as part of a contract with Lake County.
3. 2020 was significantly impacted by COVID. Due to the continuation of the pandemic, it will likely impact the following year as well.

*nda* - No data available

*cal yr* - Calendar year reporting period/no current year data

Source: County Departments

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

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PUBLIC PROTECTION (CONTINUED)</b>										
Public Defender (BU 2080)										
New Cases	4,171	5,401	5,461	4,941	4,417	5,060	5,391	5,819	5,546	4,637
Sheriff (BU 2310)										
Number of Arrests	2,236	2,447	2,259	2,011	2,255	2,157	2,412	1,931	2,114	1,377
Coroner Case Load	309	301	344	323	327	359	259	341	299	482
Call for Service	33,666	38,378	40,023	38,776	45,028	64,204	64,925	70,605	38,382	60,367
Animal Control (BU 2310)										
Citations	<i>nda</i>	57	82	23	11	21	61	18	8	10
Animal Complaint Cases	<i>nda</i>	311	325	308	281	316	292	153	267	231
Calls for Service	3,124	2,628	3,092	2,902	2,815	3,445	3,319	3,989	3,441	2,209
Bite-related Calls for Service	<i>nda</i>	177	162	208	188	189	189	175	187	142
<b>PUBLIC WAYS AND FACILITIES</b>										
Public Works (BU 3010)										
Road Miles Maintained	1,014	1,014	1,014	1,015	1,015	1,016	1,017	1,017	1,017	cal yr
Bridges Maintained	152	152	156	157	157	157	157	157	157	157
Miles of Asphalt Overlay	0	3	0	4	14	14	0	0	0	-
Miles of Chip Seal Completed	0	8	52	9	11	0	8	8	16	22
Encroachment Permits Issued	140	136	120	134	148	133	152	162	145	cal yr
Transportation Permits Issued	189	214	200	269	219	207	255	298	236	cal yr
<b>HEALTH AND SANITATION</b>										
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	616	297	221	262	241	240	226	168	110	78
Animal Care (BU 2860)										
Adoptions, Cat	163	184	238	390	390	364	355	312	315	264
Adoptions, Dog	632	560	518	472	477	454	401	385	345	238
Spays and Neuters	2,063	1,329	1,304	1,343	1,295	1,398	1,339	1,470	1,282	1,046
Licenses Sold	12,123	11,543	11,466	10,246	10,309	10,128	10,199	10,729	10,609	10,140
Emergency Medical Services (BU 4016)										
Service Calls	5,695	6,463	7,489	8,031	8,441	8,934	9,093	13,660	14,037	12,186
Environmental Health (BU 4011)										
Well Permits Issued	118	165	248	225	204	224	183	156	240	410
Mental Health (BU 4050)										
AVG Days, Request to Assessment [1]	21	13	10	8	9	6	6	6	4	cal yr

Notes:

1. State AVERAGE is 7 days (source: CalEQRO, or BHC, FY 2019-20 Statewide External Quality Review Report prepared for CA DHCS).

AVERAGES have been rounded to the closest whole number.

*nda* - No data available

*cal yr* - Calendar year reporting period/no current year data

Source: County Departments

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

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>PUBLIC ASSISTANCE</b>										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse	687	812	902	912	935	929	840	817	669	cal yr
In-Home Supportive Services Case-load	1,680	1,732	1,729	1,759	1,708	1,733	1,788	1,760	1,759	cal yr
Aid to Indigents (BU 5190)										
Regular General Assistance	969	916	756	576	587	565	524	490	108	cal yr
CalWORKS (BU 5130)										
Welfare to Work Participants	1,019	1,209	1,284	1,215	1,032	887	912	942	917	cal yr
Out-of-Home Care, AVG Monthly Case-load (BU 5010)										
Foster Care Ongoing	225	249	284	272	293	278	271	388	255	cal yr
Court Dependent Children	225	249	284	272	293	278	271	374	255	cal yr
Aid to Adoptions	<i>nda</i>	340	340	340	340	340	352	392	392	cal yr
Military and Veterans Affairs Caseload Items (BU 5010)										
Claims Filed	1,111	894	1,181	1,456	917	902	760	1,318	1,280	cal yr
Veterans Transported to VA Medical	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>
Social Services (BU 5010)										
CalFresh	10,627	10,470	10,537	10,443	9,981	9,681	11,162	11,564	11,683	cal yr
Medi-Cal	16,461	17,037	19,615	22,217	24,202	23,784	34,894	33,554	33,746	cal yr
<b>EDUCATION</b>										
Library (BU 6110)										
Customers Visiting Library [1]	337,470	431,966	484,180	455,907	458,529	460,870	444,806	451,329	294,599	27,971

Notes:

- Customers Visiting Library is extremely low for FY 2021 due to COVID. We actually provided much curbside services outside the Library, but traditionally library visitor statistics are only counted when the visitors come inside the building.

*nda* - No data available

*cal yr* - Calendar year reporting period/no current year data

Source: County Departments

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

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>EDUCATION</b>										
Branch Libraries	5	5	5	5	5	5	5	5	5	5
Bookmobiles	1	1	1	1	1	1	1	1	1	1
<b>HEALTH/PUBLIC ASSISTANCE</b>										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	27	30	31	29	33	45	52	52	52	56
<b>FACILITIES, RECREATION &amp; CULTURAL</b>										
Buildings [1]	98	98	98	98	98	98	98	98	101	103
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>	<i>nda</i>
<b>SHERIFF</b>										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	45	45	44	46	49	52	54	54	54	52

Notes:

1. 2021 Additions:
    - Whitmore Lane Skilled Nursing Facility (an alternate care site for COVID-19 isolation)
    - Live Oak Apartments (Project Homekey transitional housing for homeless)
- nda* - No data available

Source: County Departments

