



COUNTY
of
MENDOCINO
State of California

ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2022

Prepared and submitted by the Office of the
Auditor-Controller/Treasurer-Tax Collector
Sara Pierce, Acting Auditor-Controller/Treasurer-Tax Collector



– COVER PHOTO –
Reeves Canyon, Redwood Valley, CA; photo by Megan Hunter

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

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INTRODUCTORY SECTION



– INTRODUCTORY SECTION PHOTO –
Caspar, CA; photo by Megan Miltimore



MENDOCINO COUNTY

Office of the Auditor-Controller/Treasurer-Tax Collector

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SARA PIERCE

ACTING AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

December 4, 2023

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, 2022. 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. 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 LLP ("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, 2022. 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 to determine appropriate audit procedures. During this review, three material weaknesses were noted. This information was presented in a letter to the Board of Supervisors and management.

Management is required by GAAP (GASB 34) to provide a Management Discussion and Analysis (“MD&A”) in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County. The MD&A 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 tourism. It’s majestic redwood forests and beautiful coastal towns and attractions provide abundant areas for residents and visitors alike to enjoy.

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, cannabis, and other boutique industries.



Timber production



Wine production



Bartlett pears



Cannabis

County Structure

The County is a general law county. The County government is comprised of nine elected officials including a five-member Board of Supervisors, the Assessor-Clerk-Recorder, the Auditor-Controller/Treasurer-Tax Collector, the District Attorney, and the Sheriff; 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, County Counsel, the Prevention, Recovery, Resiliency and Mitigation Division, and the County's various internal support departments, including Human Resources and Information Services.



Mendocino County Administration Center, Ukiah, CA

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 Sheriff's Offices, Ukiah, CA



Mendocino County Sheriff's Offices, Fort Bragg, 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 provides a full complement of health and human services, including behavioral health and recovery services, public health services, and veterans' and social services, with facilities in Ukiah, Fort Bragg and Willits. A mental health crisis residential treatment center newly opened in 2022, and a former hotel being rehabbed for transitional housing is slated to open in 2023.



Mendocino County Behavior Health & Recovery/Public Health Svcs; Crisis Residential Treatment Ctr, 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), Covelo (Round Valley Branch Library), and most recently, Laytonville, all offering public internet and computer use, Wi-Fi, and printing and copy services, in addition to their comprehensive book collections. A Book Mobile brings

mobile library services to many smaller communities throughout the County. For more information regarding the Mendocino County Libraries: <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. Additionally, the museum’s website currently offers a collection of digital exhibits and videos that showcase unique collections, 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: <https://www.mendocinocounty.org/government/cultural-services-agency/museum>



Mendocino Co. Museum, Willits, CA

County Parks: Mendocino County General Services Agency 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

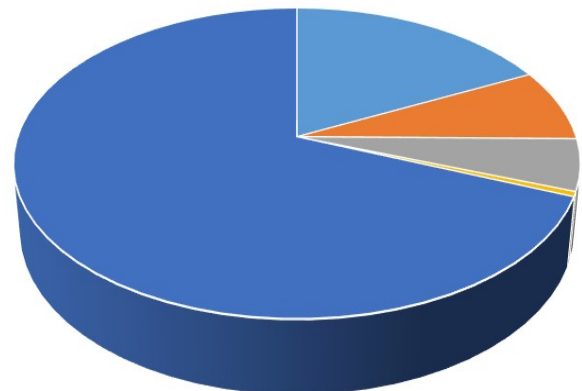


RV Lions Club Park

County Population

The 2021 census (most recently published November 16, 2022) showed 91,305 people in Mendocino County.^[1] About 68% 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 a population of 16,144.^[2]

Mendocino 2022 County Population: 91,305



■ Ukiah, CA

1. Source: Bureau of Economic Analysis, Census Bureau data by County: <https://apps.bea.gov>

2. Source: US Census Bureau, 2021, updated for 2022: <https://www.california-demographics.com/cities/bypopulation>

The three other incorporated cities of Mendocino County are Fort Bragg, Willits and Point Arena, with 2022 census populations of 6,881, 4,885 and 465, respectively.^[1]



■ Fort Bragg, CA



■ Willits, CA



■ Point Arena, CA

LOCAL ECONOMY

Agribusiness

Per the Mendocino County 2021 Crop Report, the total gross agricultural value for all commodities produced in 2021 was \$201 million, an 10% decrease from the prior year's total value of \$223 million.



Agricultural Production

Agricultural production, excluding timber, totaled \$133 million in 2021, up 3.4%, or \$4.4 million, over the prior year. ^[2] Wine grapes were the leading agricultural commodity in 2021, with a total value of \$84 million. Wine grape production increased 2.8% from the prior year production value of \$82 million. Wine grapes accounted for 42% of all agribusiness in Mendocino County in 2021, an increase 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. ^[3] Crop values fluctuate yearly based on economic, production, market, and weather conditions.

Timber

Timber was the second leading agricultural commodity in 2021, with a gross production value of \$67 million. Timber is down 29% or \$27 million in 2021 over the prior year's total production value of \$94 million. The timber production industry accounted for 33% of all agribusiness in Mendocino County in 2021. This is down 9% over the prior year's ratio of timber to total agribusiness. Mendocino County ranked 7th in the state timber volumes and produced roughly 4.8% of California's timber harvest in 2021. ^[2] The timber industry provides 360 jobs ^[3] 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.

Sources:

1. Source: US Census Bureau, updated 2022: https://www.california-demographics.com/cities_by_population
2. Mendocino County Crop Report 2021 (consistently reported for 1-year prior to fiscal year report).
3. State of California Employment Development Department (QCEW industry estimates).

Labor Force and Unemployment

The labor force for Mendocino County in June of 2022 was 37,290 people, of which 1,440 were unemployed. Total labor force increased by 140 people from the prior year, while the number of unemployed persons decreased by 1,020. The unemployment rate in California was 4.1% as of June 2022, or 0.2% higher than the unemployment rate in Mendocino County. ^[1]

Real Estate/Housing

The average median home price in Mendocino County remained relatively unchanged, with a small increase of 3.4% in fiscal year 2022. The 12-month fiscal year average median price rose slightly from \$528,188 to \$546,079. ^[2]



[Photo by Zohar Zaied](#)

The median home price has generally increased each year since April 2012, when it was \$305,000. However, the average median home price is forecasted to fall in FY 2023, due to the 27% pandemic-induced over-inflation of FY 2021, combined with the current recession and higher mortgage interest rates.

BUDGETARY PROCESS

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

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

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

Factors Affecting Financial Condition

As our County continues to recover from the COVID-19 pandemic, the County has encountered new struggles. Significant decline of the legal Cannabis Industry, housing shortages, nationwide staff shortages, inflation, and supply chain interruptions, continue to impact the County's revenues and core mandated services provided. Recovery from continuous disasters within the County are ongoing as well.

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 2021 through June 2022.

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.

LONG-TERM FINANCIAL PLANNING

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

Strategic Planning

Beginning in 2022, the County has set forth its first 5-year strategic plan, developed collaboratively with County staff, community members and planning consultants, as a tool to help guide the critical decisions the Mendocino County Board of Supervisors face over the next five years to improve the quality of life for the residents of Mendocino County.

The 2022-2027 Strategic Plan identifies four main priority areas, under which 17 goals have been determined. The four priority areas consist of:

- An Effective County Government Organization,
- A Safe and Healthy County,
- A Thriving Economy, and
- A Prepared and Resilient County.

Adopted Budget

The Adopted Budget for Fiscal Year 2022-23 is a work plan for the County, but is contingent on many variables, including federal and state funding. It also represents the Board of Supervisors' identified goals and priorities as they relate to the County's Strategic Plan for the upcoming fiscal year.

Highlights of the FY 2022-23 Adopted Budget include the following goals:

- to develop a Grants Unit within the County,
- to better leverage County funds to focus on economic recovery and resiliency,
- to invest in employees through negotiating with bargaining units, and
- to continue to support of the leadership initiative, recruitment and retention practices.

In addition, the Board, in cooperation with the employees and departments, strives to identify ways to deliver services more efficiently and cost effectively, despite the lingering disruption of the pandemic.

Appropriations

The fiscal year 2022-23 Adopted Budget for all governmental funds authorized a \$356,895,944 spending level, which is an increase of \$8.1 million (2.3%) over the \$348,817,299 budgeted in fiscal year 2021-22 for all governmental funds.

The General Fund budget authorized spending of \$241,661,849, an increase of \$8 million (3.3%) over the prior year budget of \$233,628,540.

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 2022-23 appropriations for Capital Improvements and Projects are \$2,963,158. This amount is comprised of \$406,910 for Capital Improvements, \$0 for Capital Projects, and \$2,556,248 of construction in progress costs for Mental Health projects funded by the Mendocino County Mental Health Treatment Act. ^[1]

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

RELEVANT FINANCIAL POLICIES

Balanced Budget: The County Executive Officer (CEO) and Auditor-Controller/Treasurer-Tax Collector (ACTTC) 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 2022-23.*

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 Economic Recovery/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 the Auditor-Controller 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



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, 2021

Christopher P. Morill

Executive Director/CEO

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, 2018-2021.

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.

Although the County was not able to participate in the COA program this reporting year due to time constraints, we are hopeful that our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, continues to meet these high standards.

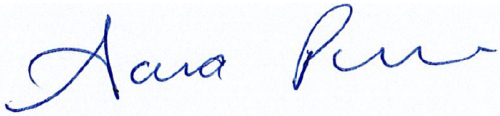
ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, would not have been possible without the efficient and dedicated services of the accounting and auditing staff of the Auditor-Controller's Office.

We would like to acknowledge our independent auditors, CliftonLarsonAllen LLP, for their assistance in the report preparation.

We would also like to express our appreciation to all County departments who assisted in this process, and to the Board of Supervisors for its interest, support, and action to ensure the continued fiscal health and integrity of the County.

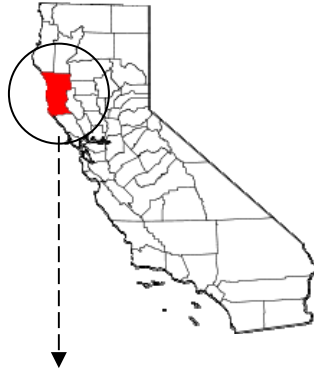
Respectfully Submitted:



Sara Pierce,
Acting Auditor-Controller/Treasurer-Tax Collector



**COUNTY OF MENDOCINO
BOARD OF SUPERVISORS AND SUPERVISORIAL DISTRICTS
JUNE 30, 2022**



Glenn McGourty
District 1



Mo Mulheren
District 2



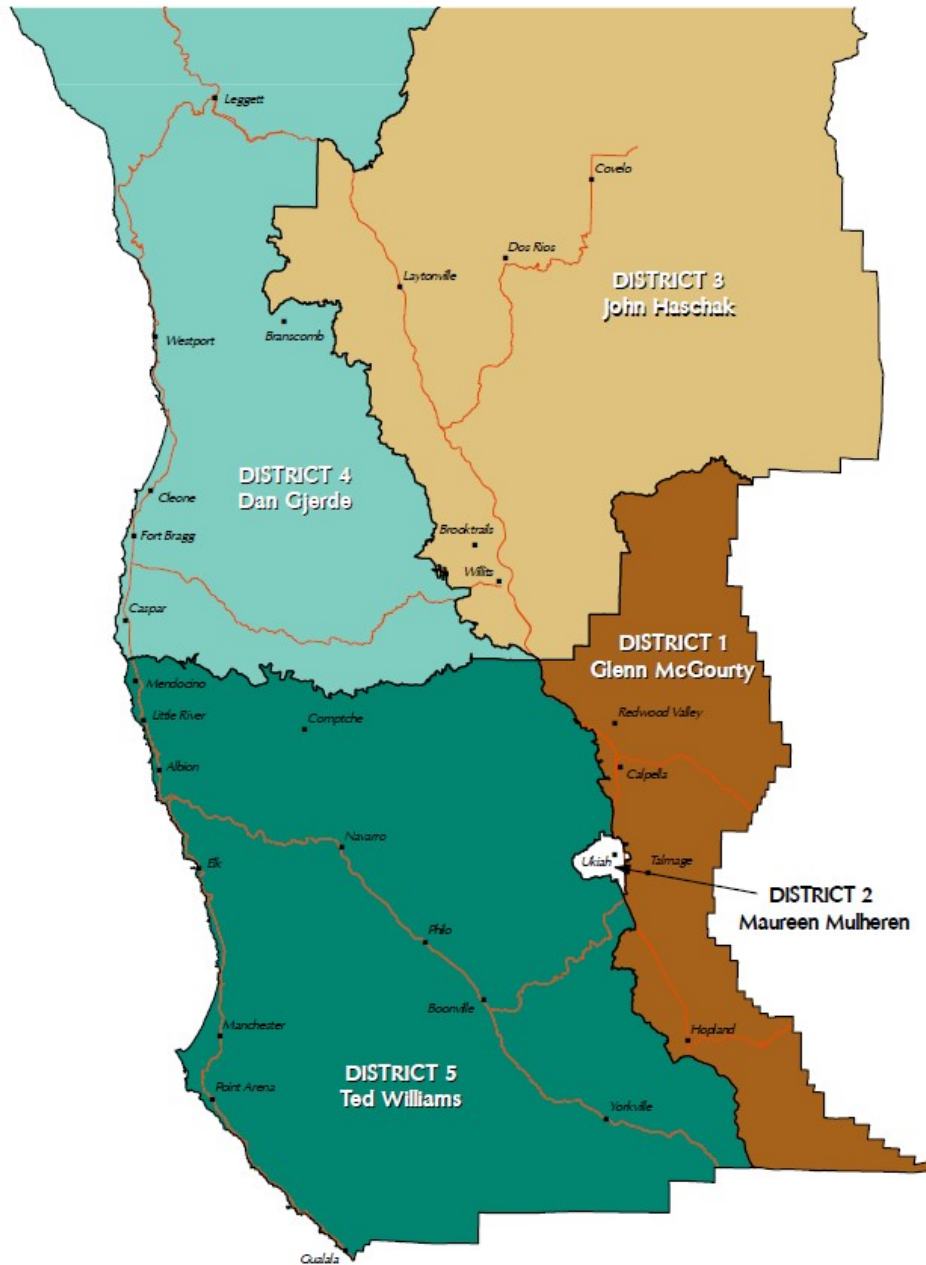
John Haschak
District 3



Dan Gjerde
District 4



Ted Williams
District 5



**COUNTY OF MENDOCINO
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2022**

Elected Officials:

Legislative Branch/Board of Supervisors:

District 1.....Glenn McGourty, Vice Chair
District 2..... Maureen Mulheren
District 3.....John Haschak
District 4..... Dan Gjerde
District 5..... Ted Williams, Chair

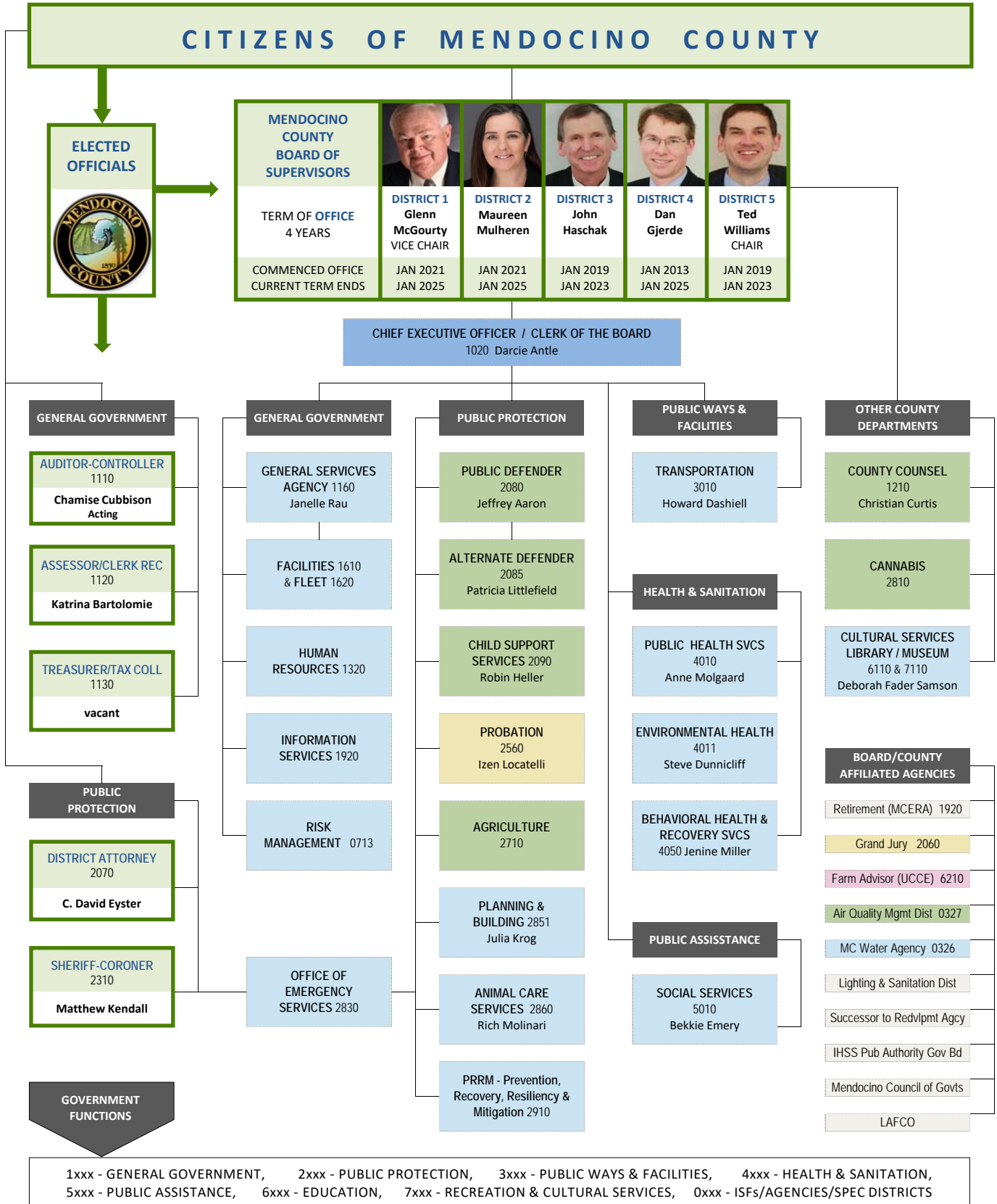
Executive Branch:

Assessor-County Clerk-RecorderKatrina Bartolomie
Auditor-Controller, Acting Chamise Cubbison
District Attorney C. David Eyster
Sheriff-CoronerMatthew Kendall
Treasurer-Tax Collector.....vacant

Appointed Department Heads:

Agricultural Commissioner/Sealer vacant
Air Quality Management Districtvacant
Alternate Defender Patricia Littlefield
Animal Care Services DirectorRich Molinari
Behavioral Health & Recovery Svcs Director Dr. Jenine Miller
Chief Executive Officer, Interim Darcie Antle
Chief Probation Officer Izen Locatelli
Child Support Services DirectorRobin Heller
County Counsel Christian Curtis
Cultural Services Director Deborah Fader Samson
Farm Advisor [UCCE] vacant
Social Services Agency Director..... Bekkie Emery
Public Health Director Anne Molgaard
Human Resources Directorvacant
Planning and Building Director Julia Krog
Public Defender Jeffrey Aaron
Retirement Association Executive Director..... Doris Rentschler
Transportation Director Howard Dashiell

COUNTY OF MENDOCINO ORGANIZATION CHART JUNE 30, 2022



Elected Officials

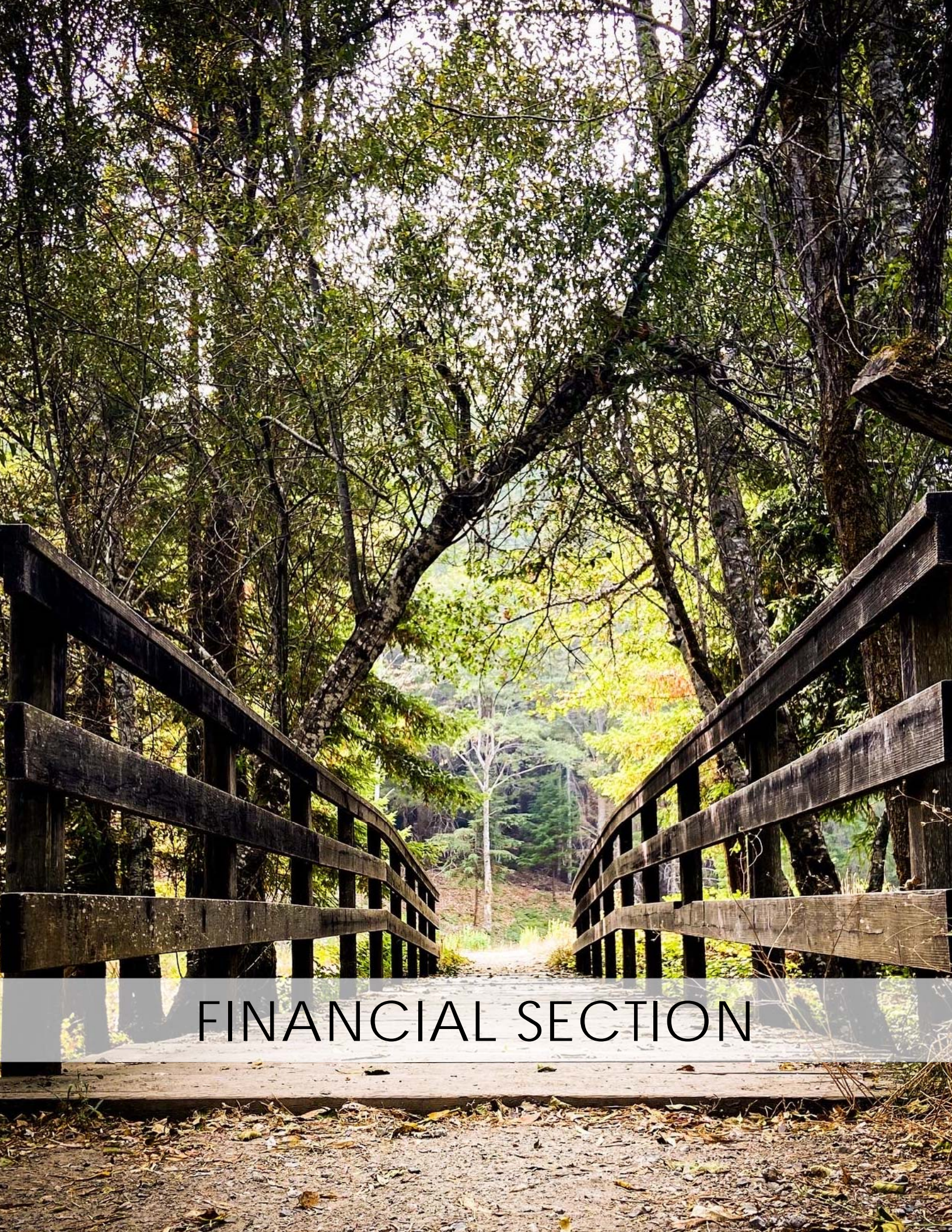
 Appointed by the Board of Supervisors

 Appointed by the CEO

 Appointed by Judiciary

 Appointed by UC





FINANCIAL SECTION



– FINANCIAL SECTION PHOTO –
Brooktrails Par Course, Willits, CA; photo by Megan Miltimore



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Mendocino, as of June 30, 2022, 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.

We did not audit Mendocino County Employees' Retirement Association (MCERA) which represents 66 percent of the assets, negative 3 percent of the revenues, and 68 percent of the net position/fund balance of the aggregate remaining fund information. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Mendocino and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Prior Period Adjustment

As disclosed in Note 8 to the financial statements, the County's beginning net position was restated for the correction of errors in the prior year financial statements. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Mendocino's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County of Mendocino's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Mendocino's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Mendocino's basic financial statements. Other budgetary schedules and the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the other budgetary schedules and the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, on our consideration of the County of Mendocino's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Mendocino's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Mendocino's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
December 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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



Jug Handle Beach, Fort Bragg, CA; photo by Zohar Zaied



**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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 2022 fiscal year by \$88,534,797 net position. Of this amount, there was a deficit of \$-167,872,315 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 2022, Mendocino County has improved their positive net position from \$45,039,342 at the beginning of the year, as restated, to \$88,534,797 at fiscal year-end. Restricted net position of \$118,599,718 represents resources that are subject to external restrictions on their use. The remaining \$137,807,394 represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets.
- The County's total Government-Wide net position increased by \$43,495,455 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 to net position is due to overall decreases in governmental activities expenditures from prior year, notably, health and sanitation, by \$13 million, and public protection, by \$9.6 million, combined with continued higher-than-traditional revenues from operating grants and contributions of \$172.8 million (although down slightly, \$4.6 million, from prior year). Both are result of waning pandemic-driven expenditures and related governmental assistance revenues.
- As of June 30, 2022, the County's Governmental Funds reported a combined end-of-year fund balance of \$154,274,363. This was an increase of \$17,021,435 in comparison with the prior year Governmental Funds end-of-year fund balance. Total revenues increased overall by \$12 million. A decrease of \$-2.9 million in revenue from Use of Money and Property was far outweighed by an increase of \$13.8 million in Intergovernmental Revenue. Expenditures decreased slightly by \$955,301 overall. Notable increases in expenditures of \$9.2 million in Public Protection, \$4.0 million in General Government and \$5.4 million in Public Assistance were balanced by a \$-7.2 million decrease in Health & Sanitation expenditures, and by a significant, \$-14.6 million reduction in Capital Outlay from prior year. The prior year included purchases and/or completions of several large, multi-year capital projects in FY 2020-21:
 - a federally funded alternate site for COVID isolation, now slated to be the future site of a new Mental Health facility,
 - a new Behavioral Health Training Center in Redwood Valley, funded by the Mental Health Treatment Act,
 - a new Crisis Residential Treatment Facility in Ukiah, funded by the Mental Health Treatment Act, and
 - a transitional housing facility for homeless, funded by Project Home-key and by a local innovations grant from Partnership Health Plan of California.
- At the end of the fiscal year, the General Fund reported an end-of-year fund balance of \$62,570,772, of which \$217,980 was nonspendable, \$17,377,401 was restricted, \$30,948,316 was assigned, and \$14,027,075 was unassigned.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

- Total long-term debt (bonds payable and certificates of participation) decreased by \$7,020,000 during the 2021-22 fiscal year, from \$54,365,000 to \$47,345,000. Lease Liabilities of \$5,143,317 bring the total long-term debt at fiscal year end up to \$52,488,317.

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

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

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

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

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.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

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

The County maintains 23 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 Miscellaneous Grants Fund. The Miscellaneous Grants Fund has newly become a major fund. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The Miscellaneous Grants fund was previously grouped with the nonmajor governmental funds. The Disaster Recovery fund, grouped with the major funds in the prior year, is grouped with the nonmajor governmental funds in the current year.

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 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.

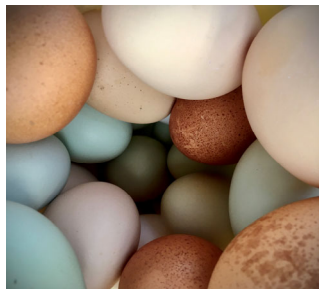
Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting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

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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.



Farmers Market, Ukiah, CA; photos by Zohar Zaied

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 \$88,430,769 at the close of the 2021-22 fiscal year.

	Governmental Activities*	
	2022	2021
ASSETS		
Current and Other Assets	\$ 219,662,822	\$ 188,445,916
Capital Assets	157,396,939	145,646,678
Total Assets	377,059,761	334,092,594
 DEFERRED OUTFLOWS OF RESOURCES	 35,355,971	 54,038,138
LIABILITIES		
Other Liabilities	46,495,875	23,502,462
Long-Term Liabilities	190,832,562	320,982,192
Total Liabilities	237,328,437	344,484,654
 DEFERRED INFLOWS OF RESOURCES	 86,552,498	 41,617
NET POSITION		
Net Investment in Capital Assets	137,807,394	129,961,434
Restricted	118,599,718	105,021,444
Unrestricted	(167,872,315)	(191,378,417)
Total Net Position	\$ 88,534,797	\$ 43,604,461

The largest portion of the County's net position, \$137,807,394, 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, \$118,599,718, 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 \$-167,872,315 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, 2022**

Governmental Activities. Governmental activities increased the County's net position by \$43,495,455 during the current fiscal year.

	<u>2022</u>	<u>2021</u>
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	\$ 23,255,077	\$ 22,902,671
Operating Grants and Contributions	172,849,585	177,463,841
Capital Grants and Contributions	4,130,986	3,404,935
General Revenues		
Property Taxes	56,135,753	55,714,699
Sales and Use Taxes	32,852,722	31,030,406
Other Taxes	13,271,865	14,687,868
Unrestricted Interest and Investment Earnings	(2,453,241)	549,173
Settlement Revenue	-	-
Miscellaneous	2,329,987	2,374,770
Total Revenues	<u>302,372,734</u>	<u>308,128,363</u>
EXPENSES		
General Government	25,124,029	22,850,862
Public Protection	75,086,915	84,641,799
Public Ways and Facilities	19,245,929	22,349,873
Health and Sanitation	57,025,422	70,043,960
Public Assistance	75,685,559	80,229,727
Education	3,710,389	3,936,977
Recreation and Cultural Services	544,965	616,849
Interest on Long-Term Debt	2,454,071	2,922,873
Total Expenses	<u>258,877,279</u>	<u>287,592,920</u>
CHANGE IN NET POSITION	43,495,455	20,535,443
Net Position - Beginning of Year, as Previously Stated	43,604,461	19,647,104
Prior Period Adjustment	1,434,881	3,421,914
Net Position - Beginning of Year, Restated	<u>45,039,342</u>	<u>23,069,018</u>
NET POSITION - END OF YEAR	<u>\$ 88,534,797</u>	<u>\$ 43,604,461</u>

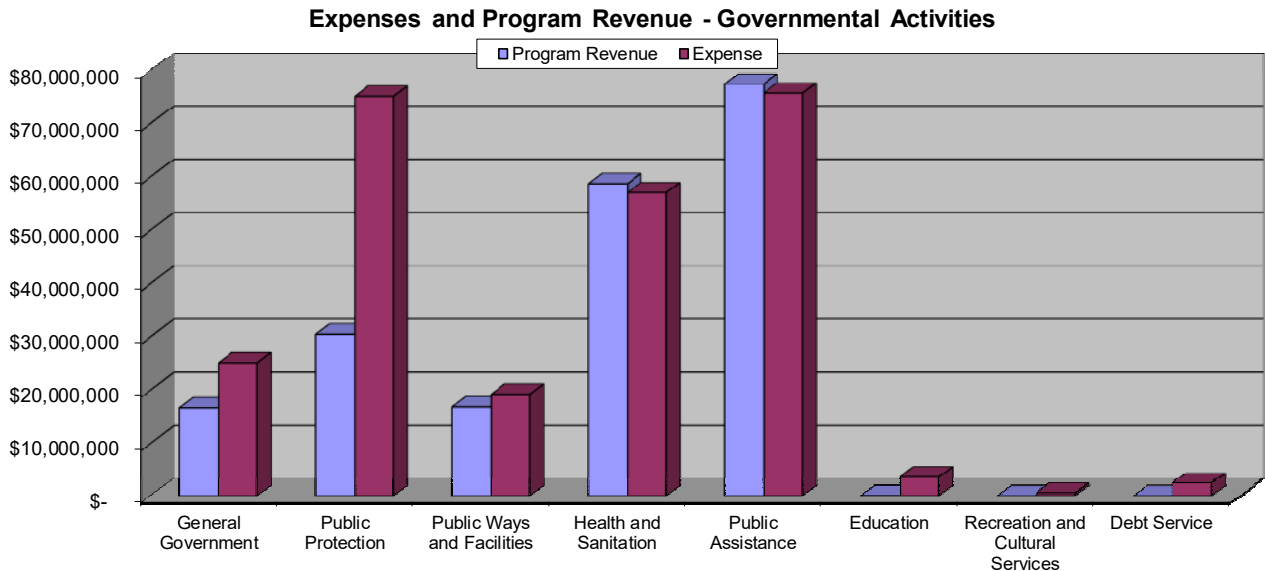
Governmental activities revenues decreased by \$-5.8 million, or -2%, from the prior year. Program revenue from operating grants and contributions, although still much higher-than-average, decreased slightly from prior year by \$-4.6 million, or -3%, in FY 2022, due to waning COVID aid and additional governmental assistance for homeless services and other programs. Unrestricted Interest and Investment Earnings saw a decrease of \$-3 million from the prior year. General revenues from taxes increased overall by \$827,367, or 1% over prior year. A \$1.8 million, 6% increase in Sales & Use Taxes was tempered by a \$-1.4 million, -10% decrease in Other Taxes, while property taxes remained relatively unchanged, with only a small increase of \$421,054, or 1%, over prior year.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Governmental activities expenses decreased overall by \$-28.7 million, or -10%, from prior year. Notable expense decreases are: \$-13 million in Health and Sanitation, or -19%, and \$-9.6 million in Public Protection, or -11%. Other expense decreases include: \$-4.5 million in Public Assistance, or -6%, and \$-3.1 million in Public Ways and Facilities, or -14%. Expense decreases were largely related to the waning 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 many functional areas.

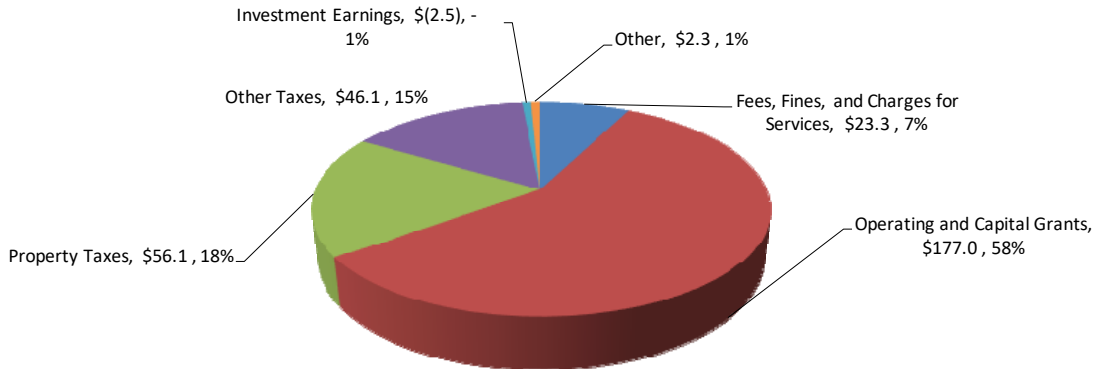


Expenses and Program Revenue

<u>Governmental Functions</u>	<u>Program Revenue</u>	<u>Expense</u>
General Government	\$ 16,658,535	\$ 25,124,029
Public Protection	30,488,783	75,086,915
Public Ways and Facilities	16,832,476	19,245,929
Health and Sanitation	58,735,170	57,025,422
Public Assistance	77,455,585	75,685,559
Education	61,219	3,710,389
Recreation and Cultural Services	3,880	544,965
Debt Service	-	2,454,071
Total Governmental Functions	200,235,648	<u>\$ 258,877,279</u>
General Revenues (taxes, interest and investment earnings and miscellaneous)	<u>102,137,086</u>	
Total Revenues	<u>\$ 302,372,734</u>	

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Revenues by Source (in millions) - Governmental Activities



Of the \$302.4 million of revenue received by the County, the largest portion comes from federal and state sources (approximately 58%). 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 specific 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 \$154,274,363, an increase of \$17,021,435 from the prior year. The components of total fund balance are as follows:

- Nonspendable fund balance, \$1,451,413, 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, \$106,569,645, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. These include (1) purpose of funds: mental health services \$7,945,317, roads \$7,986,227, mental health treatment \$34,486,702, cannabis grants \$1,768,913, library \$2,130,384, miscellaneous grant programs \$3,787,906, special districts \$592,130, PRRM/disaster recovery \$7,218,409, IG/partnerships for health \$9,562,280, whole person care \$926,548, and enforcement cannabis \$1,034,426; (2) debt service: certificates of participation \$2,020,631, and pension obligation bonds \$8,017,176; and (3) amounts restricted for various other purpose restrictions: remaining restricted fund balances \$19,092,596.
- Assigned fund balance, \$32,606,428, represents amounts that are intended for a specific purpose and are established by the Board of Supervisors, or an official body delegated by the Board of Supervisors. The majority of these funds are held in special revenue funds to be used

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.

- Unassigned fund balance, \$13,646,877, represents the General Fund's resources and Other Governmental Fund deficit fund balances 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 total fund balance was \$62,570,772, and represents a decrease of \$-18,416,102 during the 2021-22 fiscal year. The nonspendable portion of the total fund balance for the General Fund was \$217,980, while the spendable portion was \$62,352,792. 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 \$197,381,715. Spendable fund balance represents 31.6% of total fund expenditures, while total fund balance represents 31.7% of the same amount.

The Debt Service fund had a total fund balance of \$2,020,631, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$16,597. Interest expenditures for the Debt Service fund decreased during the current period by \$-46,125 to \$589,373.

The Pension Obligation fund had a total fund balance of \$8,017,176, all of which is restricted for the payment of debt service. The fund balance decreased during the current year by \$-50,474. Interest expenditures for the pension obligation fund decreased during the current period by \$-308,568 to \$2,100,182.

The Mental Health Services fund had a total fund balance of \$7,945,317. The net increase in fund balance during the current year was \$2,796,152, or 54%. This increase was due to uncollected revenue in the prior year, classified as "unavailable", becoming "available" in the current year.

The Road fund had a total fund balance of \$8,695,201. The net increase for the year was \$4,685,772, or 117%. This increase was due to uncollected revenue in the prior year, classified as "unavailable", becoming "available" in the current year.

The Mental Health Treatment fund had a total fund balance of \$34,486,702, with a net increase of \$7,535,617, or 28%, during the year. This increase is due to the continued receipt of sales tax proceeds in excess of current year expenditures. While some multi-year mental health treatment projects are complete, many are still in development. Treatment services are still ramping up to meet the needs that can be served by the newly sourced and/or developed facilities.

The Cannabis Grants fund is newly a major governmental fund, due to the large increase in cash and fund balance in the current fiscal year 2021-22. Previously included with the non-major governmental funds as part of the Miscellaneous Grants fund, the new major fund Cannabis Grants had a total fund balance of \$1,768,913, all of which is restricted for the purpose of funding special purpose cannabis programs, further described below, under Economic Analysis, and in Note 1 of the notes to the basic financial statements.

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 combined unrestricted net position of the internal service funds at the end of the year was \$4,529,774, an increase of \$1,835,409, or 68%, from prior year, mostly due to a \$1.7 million increase to

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

unrestricted net position in the software acquisition fund. The County's health insurance fund still shows a negative end-of-year unrestricted fund balance of \$-3.7 million.

General Fund Budgetary Highlights. Notable differences between the original FY 2021-22 Adopted Budget and the final amended FY 2021-22 budget are summarized below:

- Increase Non-Departmental Revenue (BU 1000) budgeted revenues as follows:
 - Capital Improvements - \$537,000 to support budgeted appropriations for capital improvements,
 - Property taxes - \$500,000 increase to budgeted current secured property tax revenues, and \$-200,000 decrease to budgeted supplemental roll tax revenues,
 - Other taxes - \$705,000 increase to budgeted sales tax revenue, \$-360,000 decrease to budgeted timber yield tax revenue, \$2,000,000 increase to budgeted room occupancy tax revenue, \$100,000 increase to budgeted property transfer tax revenue, \$315,000 increase to budgeted property tax in lieu of vehicle license fees revenue,
 - Interest - \$325,000 decrease in budgeted interest revenue
- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations by \$9,502,350 as follows:
 - Financial stability, sustainability, and recovery and resiliency - \$4,322,317
 - appropriation of PG&E funds as follows:
 - Drought \$1,500,000
 - Carbon reduction \$2,000,000
 - Hazard mitigation and emergency response, \$512,012
 - Fire Agencies, \$310,305
 - Organizational development - \$1,840,000 appropriation of PG&E funds for IT Master Plan,
 - County roads and bridges, \$2,402,033 appropriation of PG&E funds for:
 - Rural roads and bridges, \$1,400,318
 - Potter Valley road widening \$1,001,715
 - Capital improvements - \$938,000 for Facilities structure improvements
- Appropriate ARPA funding to increase Financial stability, sustainability, and recovery and resiliency (BU 2910) budgeted appropriations by \$13,283,883 as follows:
 - Health Plan Fund - \$4,600,000 for one-time use of ARPA funds to cover catastrophic losses from the prior years
 - Unidentified projects - \$4,639,714
 - Land Improvement - \$1,357,260 for Stormwater mitigation
 - Fire hydrants - \$950,000
 - NCO Food - \$587,560
 - MCF Food - \$473,000
 - Mental Health Services - \$306,913
 - Capital Improvement - \$369,436 for Board of Supervisors' remodel
- Increase Capital Projects budgeted revenues as follows:
 - Whitmore Lane (Mental Health site) - \$2,500,000 for capital improvements reserve
 - Buildings and Grounds - \$75,000 for unanticipated capital improvements
 - Juvenile Hall - \$32,754 for additional improvements
 - Library - \$46,845 for Willits branch library broadband wiring project
- Increase budgeted appropriations to various County departments to fund unanticipated operating and COVID response and supplies, funded by various sources.

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

- Non-Departmental Revenue (BU 1000) actual revenues were \$1,248,737 (net) higher than budgeted revenues due to unanticipated increases (and decreases) in various tax revenues.

Capital Asset and Debt Administration.

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$157,396,939 (net of accumulated depreciation).

This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges, construction in progress, and lease assets. The total increase in the County's investment in capital assets for the current fiscal year was \$11,750,261, an increase of 8%. This overall increase was largely due to (1) the completion of the new mental health treatment crisis residential facility, and (2) newly recognizing lease assets in accordance with GASB Statement No. 87. Additional details of capital assets are in Note 5.

	2022	2021
CAPITAL ASSETS		
Land	\$ 2,928,621	\$ 2,928,621
Structures and Improvements	42,071,805	41,861,858
Improvements Other than Buildings	757,426	994,896
Equipment	8,896,114	9,782,971
Infrastructure	57,222,211	59,857,159
Construction in Progress	40,440,580	30,221,173
Lease Assets	5,080,182	-
	<u>\$ 157,396,939</u>	<u>\$ 145,646,678</u>

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of \$52,488,317.

	2022	2021
OUTSTANDING DEBT		
General Obligation Bonds	\$ 33,915,000	\$ 39,655,000
Certificates of Participation	13,430,000	14,710,000
Lease Liabilities	5,143,317	-
	<u>\$ 52,488,317</u>	<u>\$ 54,365,000</u>

The County's total long-term debt for general obligation bonds and certificates of participation decreased by \$7,020,000 (13%) during the current fiscal year, while newly recognizing lease liabilities in accordance with GASB Statement No. 87 increased long-term debt by \$5,143,317.

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 \$12,951,238,886 and the current debt limitation for the County is \$161,890,486.

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

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 2022-23 budget, which represents conservative growth compared to Fiscal Year 2021-22 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 2022-23 fiscal year.

- **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 through contract end in current the fiscal year. For FY 2022-23, salaries and benefits are budgeted at \$157,638,082, representing an increase of \$3,227,550 (2%) over the previous year. This projected increase is due to expected filling of any vacant positions.
- **Discretionary Revenue.** Total FY 2022-23 projected discretionary (non-departmental) revenue is \$84,916,410, a \$584 thousand, or -1%, decrease from prior year. This is due to a projected \$-5 million decrease in expected cannabis business tax revenue due to the waning cannabis market. The budgeted cannabis shortfall is balanced by budgeted increases in property taxes (\$2.1 million) and transient room occupancy taxes (\$2 million), followed by smaller expected increases other taxes, such as sales and use tax (\$705,000) and property tax in lieu of vehicle license fees (\$315,000).
- **Prevention, Recovery, Resiliency and Mitigation (PRRM).** Total FY 2022-23 projected disaster recovery revenue is \$12.7 million, a \$6.4 million increase from prior year. The largest projected increase is in federal other revenue, \$7.3million. Projected FY 2022-23 expenditures are \$23.4 million, an increase of \$15.3 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 management. Disaster Recovery will continue to implement grant funded disaster recovery projects, such as fire hazard mitigation (hazardous tree removal, shaded fuel break and fuel reduction in Ukiah Valley, and erosion prevention), and other recent hazard mitigation (drought, storm, and flood), the county-wide economic recovery and resiliency plan, the Redwood Valley County Water District Retrofit Project, and continually improving the local hazard mitigation plan and General Plan Safety Element.
- **Mental Health Treatment Act/Measure B.** Total FY 2022-23 projected Measure B tax revenue is \$8.2 million, a \$1.5 million decrease from prior year. Projected FY 2022-23 expenditures are \$23.4 million, a \$15.3 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 facilities, services, and treatment 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 Cannabis Management Program. Projected FY 2022-23 revenue and expenditures have each been budgeted at \$2,774,627. Toward the end of fiscal year 2021, the County made the

**COUNTY OF MENDOCINO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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. Program revenue primarily consist of cannabis application and licensing fees and other charges. The application and licensing process also entails processing of the County's Section 15168 Environmental Checklist, commonly known as Appendix G., and facilitating any related tax appeals.

- Cannabis grants. The Cannabis Management Program also manages the cannabis grants, which include:
 - Local Jurisdiction Assistance Grant Program. This grant provides funding to local jurisdictions with the greatest needs to transition provisional licensees to annual licenses, and to aid local jurisdictions and their provisional licensees in completing CEQA compliance requirements necessary to achieve annual licensure.
 - Local Equity Entrepreneur Program. This grant program aims to provide funding and services for those hardest hit by the War on Drugs by lowering barriers to cannabis permitting and licensing.

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.



Redwood Valley, CA; photo by Megan Hunter



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



**COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 172,532,712
Cash with Fiscal Agent	8,990,007
Other Cash	125,123
Accounts Receivable	13,160,741
Due from Other Governments	16,315,516
Taxes Receivable	7,611,769
Inventories	926,954
Capital Assets:	
Nondepreciable	43,369,201
Depreciable, Net	108,947,556
Lease Assets, Net	5,080,182
Total Assets	<u>377,059,761</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pensions	35,355,971
LIABILITIES	
Accounts Payable	15,125,868
Salaries and Benefits Payable	8,110,504
Interest Payable	849,142
Unearned Revenue	22,410,361
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,325,000
Bonds Payable	6,055,000
Lease Liability	321,256
Closure/Post-Closure Liability	501,152
Liability for Compensated Absences	6,150,406
Claims Liability	3,332,625
Portion Due or Payable After One Year:	
Certificates of Participation	12,105,000
Bonds Payable	27,860,000
Lease Liability	4,822,061
Closure/Post-Closure Liability	8,760,394
Net Pension Liability	119,599,668
Total Liabilities	<u>237,328,437</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pensions	86,552,498
Total Deferred Inflows of Resources	<u>86,552,498</u>
NET POSITION	
Net Investment in Capital Assets	137,807,394
Permanently Restricted for Endowments	524,459
Temporarily Restricted for:	
Legally Segregated Taxes, Grants, and Fees	108,886,594
Debt Service and Capital Projects	9,188,665
Unrestricted	<u>(167,872,315)</u>
Total Net Position	<u>\$ 88,534,797</u>

See accompanying Notes to Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Primary Governmental Activities
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	\$ 25,124,029	\$ 4,704,944	\$ 11,937,277	\$ 16,314	\$ (8,465,494)
Public Protection	75,086,915	8,739,284	21,749,499	-	(44,598,132)
Public Ways and Facilities	19,245,929	540,411	12,177,393	4,114,672	(2,413,453)
Health and Sanitation	57,025,422	8,272,201	50,462,969	-	1,709,748
Public Assistance	75,685,559	975,440	76,480,145	-	1,770,026
Education	3,710,389	18,917	42,302	-	(3,649,170)
Recreation and Culture	544,965	3,880	-	-	(541,085)
Debt Service:					
Interest	2,454,071	-	-	-	(2,454,071)
Total Governmental Activities	<u>\$ 258,877,279</u>	<u>\$ 23,255,077</u>	<u>\$ 172,849,585</u>	<u>\$ 4,130,986</u>	(58,641,631)
GENERAL REVENUES					
Taxes:					
Property Taxes					56,135,753
Sales and Use Taxes					32,852,722
Transient Occupancy Tax					9,261,232
Other					4,010,633
Unrestricted Interest and Investment Earnings					(2,453,241)
Miscellaneous					2,329,987
Total General Revenues					<u>102,137,086</u>
CHANGE IN NET POSITION					43,495,455
Net Position - Beginning of Year, Restated					<u>45,039,342</u>
NET POSITION - END OF YEAR					<u>\$ 88,534,797</u>

See accompanying Notes to Financial Statements.

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

COUNTY OF MENDOCINO
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
ASSETS				
Pooled Cash and Investments in Treasury	\$ 63,057,768	\$ 31,388	\$ 986,196	\$ 11,784,752
Restricted Assets:				
Cash with Fiscal Agent	-	1,959,027	7,030,980	-
Imprest Cash	5,414	-	-	-
Accounts Receivable	9,070,325	-	-	2,129,078
Taxes Receivable	5,811,495	-	-	-
Due from Other Governments	5,847,888	30,216	-	1,173,467
Inventory	217,980	-	-	-
Due from Other Funds	1,508,535	-	-	-
	<u>\$ 85,519,405</u>	<u>\$ 2,020,631</u>	<u>\$ 8,017,176</u>	<u>\$ 15,087,297</u>
LIABILITIES				
Accounts Payable	\$ 6,871,965	\$ -	\$ -	\$ 4,693,916
Accrued Salaries and Benefits	7,110,511	-	-	221,701
Due to Other Funds	-	-	-	-
Unearned revenue	420,578	-	-	97,745
Total Liabilities	<u>14,403,054</u>	<u>-</u>	<u>-</u>	<u>5,013,362</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	8,545,579	-	-	2,128,618
Total Deferred Inflows of Resources	<u>8,545,579</u>	<u>-</u>	<u>-</u>	<u>2,128,618</u>
FUND BALANCES				
Nonspendable	217,980	-	-	-
Restricted	17,377,401	2,020,631	8,017,176	7,945,317
Assigned	30,948,316	-	-	-
Unassigned	14,027,075	-	-	-
Total Fund Balances	<u>62,570,772</u>	<u>2,020,631</u>	<u>8,017,176</u>	<u>7,945,317</u>
	<u>\$ 85,519,405</u>	<u>\$ 2,020,631</u>	<u>\$ 8,017,176</u>	<u>\$ 15,087,297</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 85,519,405</u>	<u>\$ 2,020,631</u>	<u>\$ 8,017,176</u>	<u>\$ 15,087,297</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Road	Mental Health Treatment	Cannabis Grants	Other Governmental Funds	Total
ASSETS					
Pooled Cash and Investments in Treasury	\$ 2,656,150	\$ 32,532,213	\$ 18,915,273	\$ 32,984,858	\$ 162,948,598
Restricted Assets:					
Cash with Fiscal Agent	-	-	-	-	8,990,007
Imprest Cash	50	-	-	595	6,059
Accounts Receivable	666,008	-	-	1,094,477	12,959,888
Taxes Receivable	-	1,147,352	-	652,922	7,611,769
Due from Other Governments	6,587,056	832,413	-	1,843,563	16,314,603
Inventory	708,974	-	-	-	926,954
Due from Other Funds	-	-	-	-	1,508,535
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 10,618,238</u>	<u>\$ 34,511,978</u>	<u>\$ 18,915,273</u>	<u>\$ 36,576,415</u>	<u>\$ 211,266,413</u>
LIABILITIES					
Accounts Payable	\$ 907,438	\$ 25,276	\$ 133,200	\$ 1,657,772	\$ 14,289,567
Accrued Salaries and Benefits	351,949	-	-	349,814	8,033,975
Due to Other Funds	-	-	-	399,501	399,501
Unearned revenue	-	-	17,013,160	4,878,878	22,410,361
Total Liabilities	<u>1,259,387</u>	<u>25,276</u>	<u>17,146,360</u>	<u>7,285,965</u>	<u>45,133,404</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>663,650</u>	<u>-</u>	<u>-</u>	<u>520,799</u>	<u>11,858,646</u>
Total Deferred Inflows of Resources	<u>663,650</u>	<u>-</u>	<u>-</u>	<u>520,799</u>	<u>11,858,646</u>
FUND BALANCES					
Nonspendable	708,974	-	-	524,459	1,451,413
Restricted	7,986,227	34,486,702	1,768,913	26,967,278	106,569,645
Assigned	-	-	-	1,658,112	32,606,428
Unassigned	-	-	-	(380,198)	13,646,877
Total Fund Balances	<u>8,695,201</u>	<u>34,486,702</u>	<u>1,768,913</u>	<u>28,769,651</u>	<u>154,274,363</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,618,238</u>	<u>\$ 34,511,978</u>	<u>\$ 18,915,273</u>	<u>\$ 36,576,415</u>	<u>\$ 211,266,413</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, 2022**

Fund Balance - Total Governmental Funds	\$ 154,274,363
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.	11,858,646
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	152,889,302
Deferred outflows of resources reported in the statement of net position.	35,355,971
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:	6,804,563
Deferred inflows of resources reported in the statement of net position.	(86,552,498)
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	(33,915,000)
Certificates of Participation	(13,430,000)
Lease Liability	(2,910,469)
Accrued Interest on Long-Term Debt	(849,142)
Compensated Absences	(6,129,725)
Pension Liability	(119,599,668)
Landfill Closure/Post Closure Care Costs	<u>(9,261,546)</u>
Net Position of Governmental Activities	<u>\$ 88,534,797</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
REVENUES				
Taxes	\$ 88,736,585	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	4,373,716	-	-	-
Intergovernmental	105,815,970	35,800	-	32,667,405
Revenue from Use of Money and Property	(442,512)	(4,151)	(43,068)	(225,558)
Fines, Forfeitures, and Penalties	1,746,865	8,400	-	-
Charges for Services	12,896,602	-	-	2,336,576
Other Revenues	1,730,968	-	451,547	59,990
Total Revenues	<u>214,858,194</u>	<u>40,049</u>	<u>408,479</u>	<u>34,838,413</u>
EXPENDITURES				
Current:				
General Government	22,514,893	3,915	3,850	-
Public Protection	74,454,769	-	-	-
Public Ways and Facilities	256,891	-	-	-
Health and Sanitation	17,575,286	-	-	32,203,163
Public Assistance	79,261,750	-	-	-
Education	167,734	-	-	-
Recreation and Culture	563,473	-	-	-
Debt Service:				
Principal	257,245	1,280,000	5,740,000	-
Interest	(54,038)	589,373	2,100,182	-
Capital Outlay	2,383,712	-	-	-
Total Expenditures	<u>197,381,715</u>	<u>1,873,288</u>	<u>7,844,032</u>	<u>32,203,163</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,476,479	(1,833,239)	(7,435,553)	2,635,250
OTHER FINANCING SOURCES (USES)				
Transfers in	3,578,616	1,849,836	7,385,079	425,219
Transfers out	(39,471,197)	-	-	(264,317)
Total Other Financing Sources (Uses)	<u>(35,892,581)</u>	<u>1,849,836</u>	<u>7,385,079</u>	<u>160,902</u>
NET CHANGES IN FUND BALANCES	(18,416,102)	16,597	(50,474)	2,796,152
Fund Balances - Beginning of Year	<u>80,986,874</u>	<u>2,004,034</u>	<u>8,067,650</u>	<u>5,149,165</u>
FUND BALANCES - END OF YEAR	<u>\$ 62,570,772</u>	<u>\$ 2,020,631</u>	<u>\$ 8,017,176</u>	<u>\$ 7,945,317</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, 2022

	Road	Mental Health Treatment	Cannabis Grants	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 62,472	\$ 10,618,847	\$ -	\$ 2,842,436	\$ 102,260,340
Licenses, Permits, and Franchises	60,581	-	-	337,368	4,771,665
Intergovernmental	20,421,499	-	-	28,547,772	187,488,446
Revenue from Use of Money and Property	(34,559)	(493,684)	(427,642)	(625,870)	(2,297,044)
Fines, Forfeitures, and Penalties	12,975	-	-	8,166	1,776,406
Charges for Services	466,855	203,609	-	722,225	16,625,867
Other Revenues	44,533	-	-	42,949	2,329,987
Total Revenues	<u>21,034,356</u>	<u>10,328,772</u>	<u>(427,642)</u>	<u>31,875,046</u>	<u>312,955,667</u>
EXPENDITURES					
Current:					
General Government	-	-	-	557,675	23,080,333
Public Protection	-	-	-	10,163,838	84,618,607
Public Ways and Facilities	23,129,520	-	-	48,971	23,435,382
Health and Sanitation	-	510,947	-	10,419,972	60,709,368
Public Assistance	-	-	910,863	247,656	80,420,269
Education	-	-	-	3,877,818	4,045,552
Recreation and Culture	-	-	-	173	563,646
Debt Service:					
Principal	-	-	-	-	7,277,245
Interest	-	-	-	-	2,635,517
Capital Outlay	-	-	-	3,084,754	5,468,466
Total Expenditures	<u>23,129,520</u>	<u>510,947</u>	<u>910,863</u>	<u>28,400,857</u>	<u>292,254,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(2,095,164)	9,817,825	(1,338,505)	3,474,189	20,701,282
OTHER FINANCING SOURCES (USES)					
Transfers in	7,109,648	-	3,107,418	26,931,924	50,387,740
Transfers out	(328,712)	(2,282,208)	-	(11,721,153)	(54,067,587)
Total Other Financing Sources (Uses)	<u>6,780,936</u>	<u>(2,282,208)</u>	<u>3,107,418</u>	<u>15,210,771</u>	<u>(3,679,847)</u>
NET CHANGES IN FUND BALANCES					
	4,685,772	7,535,617	1,768,913	18,684,960	17,021,435
Fund Balances - Beginning of Year	<u>4,009,429</u>	<u>26,951,085</u>	<u>-</u>	<u>10,084,691</u>	<u>137,252,928</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 8,695,201</u></u>	<u><u>\$ 34,486,702</u></u>	<u><u>\$ 1,768,913</u></u>	<u><u>\$ 28,769,651</u></u>	<u><u>\$ 154,274,363</u></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, 2022**

Net Change to Fund Balance - Total Governmental Funds \$ 17,021,435

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

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

Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	\$ 13,539,167	
Less: Current Year Depreciation	<u>(6,886,710)</u>	6,652,457

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.		(10,426,736)
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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	5,740,000	
Certificates of Participation	1,280,000	
Lease	<u>188,628</u>	7,208,628

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	250,063	
Change in Compensated Absences	(440,037)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	22,453,626	
Change in Liability for Closure/Post Closure Care	<u>(55,391)</u>	22,208,261

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>831,410</u>
--	--	----------------

Change in Net Position of Governmental Activities \$ 43,495,455

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2022**

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
ASSETS	
CURRENT ASSETS	
Pooled Cash and Investments in Treasury	\$ 9,578,055
Other Cash	125,123
Accounts Receivable	200,853
Due from Other Governments	913
Total Current Assets	<u>9,904,944</u>
NONCURRENT ASSETS	
Capital Assets:	
Depreciable, Net	2,309,301
Lease Assets, Net	<u>2,198,336</u>
Total Noncurrent Assets	<u>4,507,637</u>
Total Assets	<u><u>\$ 14,412,581</u></u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 836,301
Accrued Salaries and Benefits	76,529
Due to Other Funds	1,109,034
Compensated Absences	20,681
Liability for Unpaid Claims	3,332,625
Lease Liability	157,090
Total Current Liabilities	<u>5,532,260</u>
NONCURRENT LIABILITIES	
Lease Liability	<u>2,075,758</u>
Total Noncurrent Liabilities	<u>2,075,758</u>
Total Liabilities	7,608,018
NET POSITION	
Investment in Capital Assets	2,274,789
Unrestricted	<u>4,529,774</u>
Total Net Position	<u>6,804,563</u>
Total Liabilities and Net Position	<u><u>\$ 14,412,581</u></u>

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, 2022**

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$ 27,760,002
Other Revenues	37,456
Total Operating Revenues	27,797,458
OPERATING EXPENSES	
Salaries and Employee Benefits	713,729
Services and Supplies	4,181,633
Insurance	8,301,336
Depreciation	466,842
Claims and Judgments	16,868,167
Total Operating Expenses	30,531,707
OPERATING INCOME (LOSS)	(2,734,249)
NONOPERATING REVENUES (EXPENSES)	
Other Revenue	42,009
Interest Revenue (Expense)	(156,197)
Total Nonoperating Revenues (Expenses)	(114,188)
INCOME (LOSS) BEFORE TRANSFERS	(2,848,437)
TRANSFERS IN	4,068,334
TRANSFERS OUT	(388,487)
CHANGE IN NET POSITION	831,410
Net Position - Beginning of Year, Restated	5,973,153
NET POSITION - END OF YEAR	\$ 6,804,563

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Interfund Services Provided	\$ 27,608,064
Cash Paid to Employees for Services	(699,210)
Cash Paid to Suppliers for Goods and Services	(29,342,249)
Net Cash Provided (Used) by Operating Activities	(2,433,395)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Noncapital Other Contributions	42,009
Transfers In	4,380,297
Transfers Out	(388,487)
Net Cash Provided (Used) by Noncapital Financing Activities	4,033,819
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(232,701)
Net Cash Provided (Used) by Capital and Related Financing Activities	(232,701)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment loss	(156,197)
Net Cash Provided (Used) by Investing Activities	(156,197)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,211,526
Cash and Cash Equivalents - Beginning of Year	8,491,652
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,703,178
Pooled Cash and Investments in Treasury	\$ 9,578,055
Other Cash	125,123
TOTAL CASH AND CASH EQUIVALENTS	\$ 9,703,178

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Operating Income (Loss)	\$ (2,734,249)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	466,842
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(189,394)
Increase (Decrease) in:	
Accounts Payable	341,595
Accrued Salaries	33,654
Compensated Absences	(19,135)
Claims Liability	(332,708)
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,433,395)</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2022

	Investment Trust	Private Purpose Trust Fund	Custodial Fund	Pension Trust Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and Investments in Treasury	\$ 244,101,346	\$ -	\$ 14,965,880	\$ 1,614,712
Cash in Trust Account	-	1,394,282	-	-
Investments:				
Fixed Income	-	-	-	125,692,476
Domestic Equities	-	-	-	217,049,977
International Equities	-	-	-	147,243,715
Real Estate Partnerships	-	-	-	92,676,198
Infrastructure	-	-	-	36,025,184
Real Estate - 625 Kings Court, Ukiah, CA	-	-	-	1,750,000
Accounts Receivable	10,977	-	-	1,142,036
Taxes Receivable	-	-	15,420,048	-
Due from Other Governments	1,770	-	-	-
Other Assets	-	-	-	158,766
Total Assets	<u>244,114,093</u>	<u>1,394,282</u>	<u>30,385,928</u>	<u>623,353,064</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	350	-	-	1,418,679
Due to Other Governments	-	-	1,180,871	-
Total Liabilities	<u>350</u>	<u>-</u>	<u>1,180,871</u>	<u>1,418,679</u>
NET POSITION				
Restricted for:				
Pensions	-	-	-	621,934,385
Pool Participants	244,113,743	-	-	-
Individuals, Organizations, and Other Governments	-	1,394,282	29,205,057	-
Total Net Position	<u>\$ 244,113,743</u>	<u>\$ 1,394,282</u>	<u>\$ 29,205,057</u>	<u>\$ 621,934,385</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Investment Trust	Private Purpose Trust Funds	Custodial Fund	Pension Trust Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ADDITIONS				
Contributions:				
Employer Contributions	\$ -	\$ -	\$ -	\$ 30,485,006
Member Contributions	-	-	-	8,185,773
Contributions on Pooled Investments	467,573,819	-	-	-
Contributions to Private Purpose Trust	-	3,900,430	-	-
Taxes Collected for Other Governments	-	-	382,737,691	-
Interest and Investment Income - Net	<u>(5,494,302)</u>	<u>-</u>	<u>(457,714)</u>	<u>(67,368,382)</u>
Total Additions	462,079,517	3,900,430	382,279,977	(28,697,603)
DEDUCTIONS				
Benefit Payments	-	-	-	44,346,543
Administrative Expenses	-	-	-	1,462,771
Taxes Distributed to Other Governments	-	-	371,340,509	-
Distributions from Investment Pool	431,916,740	-	-	-
Distributions from Private Purpose Trust	-	2,506,148	-	-
Total Deductions	<u>431,916,740</u>	<u>2,506,148</u>	<u>371,340,509</u>	<u>45,809,314</u>
CHANGE IN NET POSITION	30,162,777	1,394,282	10,939,468	(74,506,917)
Net Position - Beginning of Year	<u>213,950,966</u>	<u>-</u>	<u>18,265,589</u>	<u>696,441,302</u>
NET POSITION - END OF YEAR	<u>\$ 244,113,743</u>	<u>\$ 1,394,282</u>	<u>\$ 29,205,057</u>	<u>\$ 621,934,385</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, 2022

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, 2022

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, 2022, the County had no business-type activities.

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, 2022

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 improving services, treatment and facilities for persons with mental health conditions.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The *Cannabis Grants Fund* consists of two cannabis grant programs. The Local Equity Entrepreneur Program (LEEP) aims to advance economic justice for populations and communities impacted by cannabis prohibition and the War on Drugs (WoD) by providing support to local jurisdictions as they promote equity in California and eliminate barriers to entering the newly regulated cannabis industry for equity program applicants and licensees. The Local Jurisdiction Assistance Grant Program (LJAGP) provides one-time funding to local jurisdictions with the greatest needs to transition provisional licensees to annual licenses, and to aid local jurisdictions and their provisional licensees in completing CEQA compliance requirements necessary to achieve annual licensure.

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 passthrough 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 *Private Purpose Trust Fund* are used by the County to account for the assets where the County has fiduciary responsibility for residents who have been deemed by the court to be unable to support themselves or be unable to meet their basic needs, or for residents who pass away without a will or family willing to administer their Estate.
- 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.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

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

F. Receivables

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

G. Inventories

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

H. Restricted Assets

The County has \$8,990,007 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, 2022

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, 2022**

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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.

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.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County of Mendocino adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

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 requires 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, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

At June 30, 2022, total County cash and investments were as follows:

Cash:	
Cash on Hand	\$ 2,551,886
Imprest Cash	7,309
Deposits Less Outstanding Warrants	<u>14,741,005</u>
Total Cash	17,300,200
Investments:	
In Treasurer's Pool	417,433,855
With Fiscal Agents	8,990,007
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	<u>620,437,550</u>
Total Investments	<u>1,046,861,412</u>
Total Cash and Investments	<u><u>\$ 1,064,161,612</u></u>

Total cash and investments at June 30, 2022, were presented on the County's financial statements as follows:

Primary Government	\$ 181,647,842
Investment Trust Funds	244,101,346
Pension Trust Fund	622,052,262
Private Purpose Trust Funds	1,394,282
Custodial Funds	<u>14,965,880</u>
Total Cash and Investments	<u><u>\$ 1,064,161,612</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, 2022, the carrying value of the County's deposits was \$13,080,592 and the bank balance was \$20,358,856. 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, 2022**

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.

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

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

At June 30, 2022, 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	0.13% - 3.13%	9/9/2022 - 5/9/2025	\$ 102,366,746	\$ 99,983,454	1.20
Treasury Obligations	0.13% - 1.88%	7/31/2022 - 5/15/2024	151,204,768	146,321,155	0.39
Medium Term Corporate Notes	0.35% - 3.85%	9/26/2022 - 2/6/2026	58,051,040	56,280,515	2.14
Supranational	0.13% - 1.75%	9/14/2022 - 11/24/2023	8,898,219	8,736,085	0.77
Time Deposit	0.45% - 0.50%	3/3/2023 - 3/20/2023	500,000	500,000	0.70
Money Market Mutual Funds	Variable	On Demand	612,646	612,646	
California Local Agency Investment Fund (LAIF)	Variable	On Demand	75,000,000	75,000,000	
California Asset Management Program	Variable	On Demand	<u>30,000,000</u>	<u>30,000,000</u>	
			426,633,419	417,433,855	
Investments Outside					
Investment Pool:					
Cash Held with Fiscal Agent					
Pension Trust Fund (Held by MCERA)	Variable	N/A	620,437,550	620,437,550	
Money Market Mutual Funds	Variable	On Demand	<u>8,990,007</u>	<u>8,990,007</u>	
Total Investments			<u>\$ 1,056,060,976</u>	<u>\$ 1,046,861,412</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, 2022**

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, 2022, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: 10.37% (\$43,276,128) and Federal Farm Credit Bank: 7.11% (\$29,692,163).

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, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The pool has the following recurring fair value measurements as of June 30, 2022:

	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Federal Agency Obligations	\$ 99,983,454	\$ -	\$ 99,983,454	\$ -
Treasury Obligations	146,321,155	-	146,321,155	-
Medium Term Corporate Notes	56,280,515	-	56,280,515	-
Supranational	8,736,085	-	8,736,085	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	612,646	612,646	-	-
Total Investments Measured at Fair Value	312,433,855	\$ 1,112,646	\$ 311,321,209	\$ -
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	75,000,000			
California Asset Management Program	30,000,000			
Total Pooled and Directed Investments	\$ 417,433,855			

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022:

	<u>Moody's</u>	<u>S & P</u>	<u>% of Portfolio</u>
Investments in Investment Pool:			
Federal agency obligations	Aaa	AA+	23.95%
Treasury obligations	Aaa	AA+	35.05%
Medium term notes	A1	A	3.18%
Medium term notes	A1	A+	2.01%
Medium term notes	A1	AA	1.04%
Medium term notes	A2	A	2.41%
Medium term notes	A2	A-	0.94%
Medium term notes	A2	A+	0.39%
Medium term notes	Aa2	AA	0.36%
Medium term notes	Aa3	AA-	1.02%
Medium term notes	Aa3	AA+	0.47%
Medium term notes	Aaa	AA+	1.66%
Money market mutual funds	Aaa	AAA	0.15%
Supranational	Aaa	AAA	2.09%
Time Deposit	Unrated	Unrated	0.12%
California Local Agency Investment Fund			
State Pool	Unrated	Unrated	17.97%
Public Financial Management CAMP	Unrated	AAA	7.19%
			<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, 2022**

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, 2022, 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 \$240.4 billion. Of that amount, 2.81% was invested in structured notes and asset-backed securities with the remaining 97.19% 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, 2022:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 433,066,332</u>
Equity of Internal Pool Participants	\$ 188,964,986
Equity of External Pool Participants	<u>244,101,346</u>
Total Net Position	<u>\$ 433,066,332</u>

Statement of Changes in Net Position

Net Position for Pool Participants at July 1, 2021	\$ 359,298,928
Net Change in Investments by Pool Participants	<u>73,767,404</u>
Net Position at June 30, 2022	<u>\$ 433,066,332</u>

NOTE 3 ENDOWMENTS

For the year ended June 30, 2022, the net decrease on investments of donor-restricted endowments was \$4,428. 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, 2022**

NOTE 4 INTERFUND TRANSACTIONS

Due From/To Other Funds

Due From and Due To Other Funds amounts will be repaid in the following fiscal year. Due From and Due To Other Funds at June 30, 2022 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
General Fund	Internal Service Funds	\$ 1,109,034
	Other Governmental Funds	399,501
Total		<u>\$ 1,508,535</u>

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>	Amount
General Fund	Debt Service Fund	\$ 1,803,474
	Pension Obligation Bonds Fund	6,540,118
	Road Fund	7,109,648
	Internal Service Funds	2,749,765
	Other Governmental Funds	<u>21,268,192</u>
		39,471,197
Mental Health Services Fund	General Fund	32,254
	Pension Obligation Bonds Fund	185,701
	Debt Service Fund	<u>46,362</u>
		264,317
Roads Fund	Pension Obligation Bonds Fund	<u>328,712</u>
		328,712
Mental Health Treatment Fund	Other Governmental Funds	<u>2,282,208</u>
		2,282,208
Nonmajor Governmental Funds	General Fund	3,195,197
	Mental Health Services Fund	425,219
	Cannabis Grants	3,107,418
	Miscellaneous Grants	1,376,911
	Pension Obligation Bonds Fund	293,226
	Internal Service Funds	1,318,569
	Other Governmental Funds	<u>2,004,613</u>
		<u>11,721,153</u>
Internal Service Funds	General Fund	351,165
	Pension Obligation Bonds Fund	<u>37,322</u>
		388,487
Total		<u>\$ 54,456,074</u>

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance*			Transfers and	Balance
	June 30, 2021	Additions	Retirements	Adjustments	June 30, 2022
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,928,621	\$ -	\$ -	\$ -	\$ 2,928,621
Construction in Progress	30,221,173	11,858,806	-	(1,639,399)	40,440,580
Total Capital Assets, Not Being Depreciated	<u>33,149,794</u>	<u>11,858,806</u>	<u>-</u>	<u>(1,639,399)</u>	<u>43,369,201</u>
Capital Assets, Being Depreciated:					
Infrastructure	112,081,055	-	-	-	112,081,055
Structures and Improvements	92,909,785	-	-	2,455,349	95,365,134
Equipment	42,228,944	566,886	-	401,421	43,197,251
Improvements Other than Buildings	6,112,950	-	-	-	6,112,950
Total Capital Assets, Being Depreciated	<u>253,332,734</u>	<u>566,886</u>	<u>-</u>	<u>2,856,770</u>	<u>256,756,390</u>
Less Accumulated Depreciation for:					
Infrastructure	(52,223,896)	(2,705,375)	-	70,427	(54,858,844)
Structures and Improvements	(51,047,927)	(2,229,710)	-	(15,692)	(53,293,329)
Equipment	(32,445,973)	(1,769,876)	-	(85,288)	(34,301,137)
Improvements Other than Buildings	(5,118,054)	(237,470)	-	-	(5,355,524)
Total Accumulated Depreciation	<u>(140,835,850)</u>	<u>(6,942,431)</u>	<u>-</u>	<u>(30,553)</u>	<u>(147,808,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>112,496,884</u>	<u>(6,375,545)</u>	<u>-</u>	<u>2,826,217</u>	<u>108,947,556</u>
Right-to-Use Leased Assets					
Leased Structures	3,058,786	-	-	-	3,058,786
Leased Equipment	239,381	-	-	-	239,381
Other Leased Assets	2,193,136	-	-	-	2,193,136
Total Capital Assets, Being Amortized	<u>5,491,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,491,303</u>
Less Accumulated Amortization					
Leased Structures	-	(220,963)	-	-	(220,963)
Leased Equipment	-	(13,848)	-	-	(13,848)
Other Leased Assets	-	(176,310)	-	-	(176,310)
Total Accumulated Amortization	<u>-</u>	<u>(411,121)</u>	<u>-</u>	<u>-</u>	<u>(411,121)</u>
Total Capital Assets, Being Amortized, Net	<u>5,491,303</u>	<u>(411,121)</u>	<u>-</u>	<u>-</u>	<u>5,080,182</u>
Governmental Activities Capital Assets, Net	<u>\$ 151,137,981</u>	<u>\$ 5,072,140</u>	<u>\$ -</u>	<u>\$ 1,186,818</u>	<u>\$ 157,396,939</u>

*Beginning balance was adjusted to include the County's right-to-use lease assets recorded as a result of the implementation of GASB Statement No. 87, Leases.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation and Amortization expense was charged to governmental functions as follows:

General Government	\$	1,394,668
Public Protection		1,432,060
Public Ways and Facilities		3,159,964
Health and Sanitation		379,959
Public Assistance		397,396
Education		87,538
Recreation and Culture		35,125
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets		466,842
Total Depreciation and Amortization Expense - Governmental Functions		\$ 7,353,552

NOTE 6 LONG-TERM LIABILITIES

Individual issues of loans, bonds, and certificates of participation outstanding at June 30, 2022 are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2022
Governmental Activities:					
Taxable Pension Obligation Bonds:					
2002 Series (Issued to Partially Refund the 1996 Series and to Meet the Net Pension Obligation of the County's Retirement Plan)					
	7/01/2004 - 7/1/2026	2.07% - 5.77%	\$885,000 - \$7,560,000	\$ 91,945,000	\$ 33,915,000
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	\$ 13,430,000

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Summary of Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2022:

	Balance*			Balance	Amounts
	July 1, 2021	Additions	Deletions	June 30, 2022	Due Within One Year
Governmental Activities:					
Refunding Certificates of Participation	\$ 14,710,000	\$ -	\$ (1,280,000)	\$ 13,430,000	\$ 1,325,000
Bonds Payable	39,655,000	-	(5,740,000)	33,915,000	6,055,000
Lease Liabilities	5,491,303	-	(347,986)	5,143,317	321,256
Compensated Absences	5,729,504	2,407,337	(1,986,435)	6,150,406	6,150,406
Liability for Self-Insurance	4,435,191	16,098,309	(17,200,875)	3,332,625	3,332,625
Landfill Postclosure Costs	9,206,155	553,546	(498,155)	9,261,546	501,152
Total Governmental Activities	<u>\$ 80,144,718</u>	<u>\$ 19,059,192</u>	<u>\$ (27,053,451)</u>	<u>\$ 71,232,894</u>	<u>\$ 17,685,439</u>

*Beginning balance was adjusted to include the County's lease liability recorded as a result of the implementation of GASB Statement No. 87, Leases.

As of June 30, 2022, 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
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	1,620,000	286,284	7,560,000	218,106
2028-2031	5,270,000	452,574	-	-
Total	<u>\$ 13,430,000</u>	<u>\$ 2,535,686</u>	<u>\$ 33,915,000</u>	<u>\$ 5,102,199</u>

Claims and judgments will be paid from the County's risk management internal service funds. A majority of the claims are paid through internal service fund charges to the general fund and special revenue funds. Compensated absences liabilities will be paid 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, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Leases

The County is currently entered into 11 noncancelable leases with various third parties. Current lease activities include the right-to-use structures, equipment, and infrastructure. The lease terms include the noncancelable period of the lease and extensions the County is reasonably certain to exercise and vary with each contract. Leases have interest rates ranging from 0.22 to 1.58 percent. Many of the structure leases increase annually by 3%. The July 1, 2021, lease liability was \$5,491,303 with a remaining balance of \$5,143,317 at June 30, 2022.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
	Principal	Interest	Total
2023	\$ 326,748	\$ 68,827	\$ 395,575
2024	327,001	64,755	391,756
2025	324,570	60,503	385,073
2026	316,471	56,246	372,717
2027	322,975	51,923	374,898
2028-2032	1,747,035	189,492	1,936,527
2033 and Thereafter	1,778,517	86,044	1,864,561
Total Minimum Lease Payments	\$ 5,143,317	\$ 577,790	\$ 5,721,107

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Structures	\$ 3,058,786
Equipment	239,381
Other Assets	2,193,136
Less: Accumulated Amortization	(411,121)
Total	\$ 5,080,182

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 \$6,150,406. 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.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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 \$9,261,546 reported as landfill closure/postclosure liability at June 30, 2022, represents the cumulative amount reported to date based on the use of various percentages of the estimated capacity of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2022. 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, 2022
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	1994	\$ 905,627
South Coast Landfill	Mendocino County	100%	Pending	6,155,165
Laytonville Landfill	Mendocino County	100%	1997	2,200,754
Total				<u>\$ 9,261,546</u>

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2022, investments of \$4,851,210 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.

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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	\$ 157,396,939
Outstanding Principal of Capital-Related Debt	(18,573,317)
Capital-Related AP	(1,016,228)
Net Position, Net Investment in Capital Assets	\$ 137,807,394

Fund Balances

Details of the fund balance classifications of governmental funds as of June 30, 2022 are as follows:

	General	Debt Service	Pension Obligation Bonds	Mental Health Services	Road	Mental Health Treatment	Cannabis Grants	Other Governmental Funds	Total
Nonspendable									
Inventory	\$ 217,980	\$ -	\$ -	\$ -	\$ 708,974	\$ -	\$ -	\$ -	\$ 926,954
Endowments	-	-	-	-	-	-	-	524,459	524,459
Total Nonspendable	217,980	-	-	-	708,974	-	-	524,459	1,451,413
Restricted for:									
General Government	457,481	-	-	-	-	-	-	-	457,481
Road Projects	-	-	-	-	7,986,227	-	-	-	7,986,227
Public Protection	6,386,479	-	-	-	-	-	-	1,034,426	7,420,905
Public Assistance	5,364,108	-	-	-	-	-	1,768,913	-	7,133,021
Health Services	5,169,333	-	-	-	-	-	-	10,488,828	15,658,161
Mental Health	-	-	-	7,945,317	-	34,486,702	-	-	42,432,019
Special Districts	-	-	-	-	-	-	-	592,130	592,130
Various Grant Programs	-	-	-	-	-	-	-	7,633,485	7,633,485
Disaster Recovery	-	-	-	-	-	-	-	7,218,409	7,218,409
Debt Service	-	2,020,631	8,017,176	-	-	-	-	-	10,037,807
Total Restricted	17,377,401	2,020,631	8,017,176	7,945,317	7,986,227	34,486,702	1,768,913	26,967,278	106,569,645
Assigned:									
Retirement	4,500,000	-	-	-	-	-	-	-	4,500,000
General reserve	10,287,010	-	-	-	-	-	-	-	10,287,010
Contracted services	16,161,306	-	-	-	-	-	-	1,658,112	17,819,418
Total Assigned	30,948,316	-	-	-	-	-	-	1,658,112	32,606,428
Unassigned	14,027,075	-	-	-	-	-	-	(380,198)	13,646,877
Total Fund Balance	\$ 62,570,772	\$ 2,020,631	\$ 8,017,176	\$ 7,945,317	\$ 8,695,201	\$ 34,486,702	\$ 1,768,913	\$ 28,769,651	\$ 154,274,363

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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:

	Government-Wide Statements	Proprietary Funds
	Governmental Activities	Internal Service Funds
Net position, June 30, 2021, as previously reported	\$ 43,604,461	\$ 5,203,295
Corrections:		
Revenue understated in the prior year	665,023	
Unemployment liability overstated in the prior year	769,858	769,858
Net position, June 30, 2022, restated	<u>\$ 45,039,342</u>	<u>\$ 5,973,153</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.

A. General Information About the Pension Plans

Plan Descriptions

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

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

A. General Information About the Pension Plans (Continued)

Benefits Provided

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

General members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. General members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit, or age 70, regardless of service. Safety and Probation members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. Safety and Probation members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit, or age 70, regardless of service.

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

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

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

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

A. General Information About the Pension Plans (Continued)

Benefits Provided (Continued)

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%.

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, 2021 for 2021-2022 (based on the June 30, 2021 valuation) was 36.75% of compensation. The actual employer rate depends on General, Safety, or Probation membership, and tier.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

A. General Information About the Pension Plans (Continued)

Contributions

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, 2021 for 2021-2022 (based on the June 30, 2021 valuation) was 10.25% 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, 2022, the contributions for the Plan were as follows:

Contributions - Employer	<u><u>\$ 29,449,594</u></u>
--------------------------	-----------------------------

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

As of June 30, 2022, 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><u>\$ 119,599,668</u></u>
Total Net Pension Liability	

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, 2021, 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, 2021. 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, 2020 and 2021 was as follows:

Proportion - June 30, 2020	96.26%
Proportion - June 30, 2021	<u>96.47%</u>
Change - Increase (Decrease)	0.215%

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

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

For the year ended June 30, 2022, the County recognized net pension expense of \$6,640,904. At June 30, 2022, 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	\$ 1,744,202	\$ 2,363,334
Changes in Assumptions	3,672,875	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	84,189,164
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions County's Contributions Subsequent to the Measurement Date	489,300	-
	29,449,594	-
Total	\$ 35,355,971	\$ 86,552,498

The County reported \$29,449,594 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ (16,026,036)
2023	(18,410,632)
2024	(20,961,772)
2025	(25,247,681)
Total	\$ (80,646,121)

COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (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, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	4.25% – 8.25%, based on years of service (1)
Investment Rate of Return	6.75%
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, 2021 valuation were based on the results of an 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, 2021. 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, 2022.

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (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>
Large Cap U.S. Equity	24.7 %	5.49 %
Small Cap U.S. Equity	12.3	6.10
Global ex-US 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	\$ 224,030,240
Current Discount Rate	6.75%
Net Pension Liability	\$ 119,599,668
One Percent Increase	7.75%
Net Pension Liability	\$ 33,529,641

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, 2022

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, 2022, 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 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 \$26,516.

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, 2022**

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, 2022, 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 \$875,977 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 \$2,430,132.

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, 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>
Claims Liability, July 1, 2021	\$ 789,722	\$ 1,073,771	\$ 2,571,698	\$ 4,435,191
Current Year Claims and Changes in Estimates	(644,091)	650,135	16,092,265	16,098,309
Claims Payments	(119,115)	(847,929)	(16,233,831)	(17,200,875)
Claims Liability, June 30, 2022	<u>\$ 26,516</u>	<u>\$ 875,977</u>	<u>\$ 2,430,132</u>	<u>\$ 3,332,625</u>

**COUNTY OF MENDOCINO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022:

Fund	Amount in Excess
Micrographics	\$ 4,670
Special Districts Lighting	4,671
Whole Person Care	662,560
Endowment	46,940

NOTE 13 DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2022:

Fund	Deficit
Internal Service Funds:	
Fire	\$ (2,813)
Special Districts Other	(377,385)
General Liability Insurance	(211,610)
Health Insurance	(3,686,363)

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



REQUIRED SUPPLEMENTARY INFORMATION



**COUNTY OF MENDOCINO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

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

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)							
	June 30, 2022 <u>(June 30, 2021)</u>	June 30, 2021 <u>(June 30, 2020)</u>	June 30, 2020 <u>(June 30, 2019)</u>	June 30, 2019 <u>(June 30, 2018)</u>	June 30, 2018 <u>(June 30, 2017)</u>	June 30, 2017 <u>(June 30, 2016)</u>	June 30, 2016 <u>(June 30, 2015)</u>	June 30, 2015 <u>(June 30, 2014)</u>
County's Proportion of the Net Pension Liability	96.47%	96.26%	96.25%	96.23%	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	\$ 119,599,668	\$ 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	\$ 73,993,153	\$ 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	161.64%	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	84.90%	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, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 29,449,594	\$ 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>29,449,594</u>	<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>	<u>\$ -</u>
County's Covered Payroll	\$ 75,473,016	\$ 73,993,153	\$ 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	39.02%	34.43%	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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 92,633,786	\$ 92,193,786	\$ 94,527,813	\$ 2,334,027
Licenses and Permits	4,832,910	4,832,910	4,373,716	(459,194)
Fines, Forfeits, and Penalties	1,246,002	1,369,047	1,746,865	377,818
Revenue from Use of Money and Property	846,620	521,620	(442,512)	(964,132)
Intergovernmental	110,608,143	113,943,353	105,815,970	(8,127,383)
Charges for Services	10,942,939	10,957,491	12,896,602	1,939,111
Other Revenue	1,781,753	1,833,668	1,730,968	(102,700)
Total Revenues	222,892,153	225,651,875	220,649,422	(5,002,453)
EXPENDITURES				
Current:				
General government:				
Assessor	2,064,479	2,088,954	2,093,527	(4,573)
Auditor-Controller	1,775,590	1,775,590	1,557,182	218,408
Board Of Supervisors	859,396	859,396	876,823	(17,427)
Buildings & Grounds	5,771,757	5,519,499	5,254,473	265,026
Clerk of the Board	576,935	576,935	584,760	(7,825)
County Clerk	394,500	409,052	383,652	25,400
County Clerk-Election	835,111	1,128,594	973,350	155,244
County Counsel	2,647,266	2,658,466	1,559,975	1,098,491
County Executive Office	1,324,254	1,404,254	1,855,404	(451,150)
County Garage	1,560,255	1,584,271	49,538	1,534,733
Economic Development	704,500	879,500	850,657	28,843
Employee Wellness/Assistance	58,210	58,210	54,180	4,030
Engineering & Technical Assist	1,309,374	2,659,374	1,254,122	1,405,252
General Services	1,014,280	1,014,280	705,077	309,203
Human Resources	2,762,721	2,766,339	1,470,971	1,295,368
Information Services	4,779,991	4,886,048	4,056,027	830,021
Miscellaneous Budget	1,616,346	1,616,346	1,433,792	182,554
Nondepartmental Revenue	(3,985,000)	(3,400,000)	(3,270,391)	(129,609)
Property Characteristics	-	-	-	-
Retirement	919,260	919,260	763,309	155,951
Treasurer-Tax Collector	1,029,639	1,029,639	1,006,767	22,872
Total general government	28,018,864	30,434,007	23,513,195	6,920,812
Public protection:				
Agriculture Dept	1,535,266	1,495,266	1,474,434	20,832
Alternate Defender	1,060,598	1,060,598	1,007,772	52,826
Animal Control	1,662,806	1,676,878	1,709,419	(32,541)
Cannabis Management	851,990	836,098	979,207	(143,109)
Child Support Services	2,571,962	2,571,962	2,455,395	116,567
Courts-AB233 Program	1,273,036	1,273,036	854,152	418,884
District Attorney	7,653,683	7,687,784	7,369,157	318,627
Emergency Svc Cd Safety	479,152	1,139,282	425,561	713,721
Grand Jury	100,287	125,185	62,594	62,591
Indigent Defense	350,000	350,000	414,107	(64,107)
Juvenile Hall	2,845,596	2,984,552	2,336,511	648,041
Mendocino County Jail	16,110,052	16,644,339	16,764,313	(119,974)
Mendocino County Sheriff	23,594,540	25,076,343	25,075,486	857
Mobile Spay/Neuter	84,040	86,300	69,245	17,055
Planning & Building Services	6,378,587	6,378,587	6,393,885	(15,298)
Planning & Building Spec Proj	325,500	325,500	132,545	192,955
Probation Officer	6,573,908	6,853,035	6,535,401	317,634
Public Defender	3,957,419	3,957,419	3,740,488	216,931
Total public protection	77,408,422	80,522,164	77,799,672	2,722,492

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public ways and facilities:				
DOT - Little River Airport	\$ 363,005	\$ 363,005	\$ 143,586	\$ 219,419
DOT - Round Valley Airport	39,449	39,449	113,305	(73,856)
Total public ways and facilities	<u>402,454</u>	<u>402,454</u>	<u>256,891</u>	<u>145,563</u>
Health and sanitation:				
Alcohol/Other Drug Program	4,679,834	5,579,259	2,978,168	2,601,091
Emergency Medical Services	1,492,569	1,492,569	915,951	576,618
Employee Wellness/Assistance	407,720	407,720	296,987	110,733
Environmental Health	3,128,934	3,128,934	2,539,890	589,044
Homekey	1,244,000	1,244,000	791,200	452,800
Hospital /Medical Services	276,000	276,000	80,276	195,724
Landfill Closure	2,101,378	2,101,378	576,289	1,525,089
Mendocino County Solid Waste	511,729	706,574	734,590	(28,016)
Public Health	7,177,973	7,674,885	5,620,263	2,054,622
Public Health Nursing	4,214,956	5,437,835	2,595,104	2,842,731
Public Health-CCS	1,530,959	1,530,959	897,334	633,625
Transitional Housing	-	-	-	-
Total health and sanitation	<u>26,766,052</u>	<u>29,580,113</u>	<u>18,026,052</u>	<u>11,554,061</u>
Public assistance:				
Calworks/Foster Care	27,779,461	27,779,461	24,764,715	3,014,746
General Relief	569,252	569,252	500,857	68,395
Health & Human Services Admin	3,416,363	3,416,363	27,534	3,388,829
In Home Support Services	6,280,768	6,280,768	6,022,408	258,360
Social Services	59,772,070	59,837,284	49,668,614	10,168,670
Total public assistance	<u>97,817,914</u>	<u>97,883,128</u>	<u>80,984,128</u>	<u>16,899,000</u>
Education:				
Farm Advisor	262,744	262,744	174,047	88,697
Total education	<u>262,744</u>	<u>262,744</u>	<u>174,047</u>	<u>88,697</u>
Recreation and culture:				
Mendocino County Museum	605,735	675,132	580,929	94,203
Total recreation and culture	<u>605,735</u>	<u>675,132</u>	<u>580,929</u>	<u>94,203</u>
Debt Service:				
Principal	4,200,000	4,200,000	6,048,473	(1,848,473)
Interest and Fiscal Charges	100,000	100,000	(54,038)	154,038
Total debt service	<u>4,300,000</u>	<u>4,300,000</u>	<u>5,994,435</u>	<u>(1,694,435)</u>
Capital Outlay:				
Capital Improvements	6,701,809	9,640,342	2,383,712	7,256,630
Total capital outlay	<u>6,701,809</u>	<u>9,640,342</u>	<u>2,383,712</u>	<u>7,256,630</u>
Total expenditures	<u>242,283,994</u>	<u>253,700,084</u>	<u>209,713,061</u>	<u>43,987,023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,391,841)	(28,048,209)	10,936,361	38,984,570
OTHER FINANCING SOURCES (USES)				
Transfers In	20,930,911	28,726,170	3,578,616	(25,147,554)
Transfers Out	(12,058,528)	(38,764,881)	(32,931,079)	5,833,802
Total Other Financing Sources (Uses)	<u>8,872,383</u>	<u>(10,038,711)</u>	<u>(29,352,463)</u>	<u>(19,313,752)</u>
NET CHANGE IN FUND BALANCES	(10,519,458)	(38,086,920)	(18,416,102)	19,670,818
Budgetary Fund Balances - Beginning of Year	<u>80,986,874</u>	<u>80,986,874</u>	<u>80,986,874</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ 70,467,416</u>	<u>\$ 42,899,954</u>	<u>\$ 62,570,772</u>	<u>\$ 19,670,818</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

Total Revenues from the Budgetary Comparison Schedule	\$ 220,649,422
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 tax revenues.	<u>(5,791,228)</u>
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u>\$ 214,858,194</u>
Total expenditures from the budgetary comparison schedule	\$ 209,713,061
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,540,118)
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports the disbursement as a reduction of tax revenues.	<u>(5,791,228)</u>
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u>\$ 197,381,715</u>

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ (27,416)	\$ (27,416)	\$ (225,558)	\$ (198,142)
Intergovernmental	28,215,789	29,708,424	32,667,405	2,958,981
Charges for Services	1,344,606	1,601,991	2,336,576	734,585
Other Revenues	150,000	150,000	59,990	(90,010)
Total Revenues	<u>29,682,979</u>	<u>31,432,999</u>	<u>34,838,413</u>	<u>3,405,414</u>
EXPENDITURES				
Current:				
Health and Sanitation	<u>30,593,654</u>	<u>34,947,197</u>	<u>32,203,163</u>	<u>2,744,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(910,675)	(3,514,198)	2,635,250	6,149,448
OTHER FINANCING SOURCES (USES)				
Transfers In	300,000	1,153,280	425,219	(728,061)
Transfers Out	(84,739)	(84,739)	(264,317)	(179,578)
Total Other Financing Sources (Uses)	<u>215,261</u>	<u>1,068,541</u>	<u>160,902</u>	<u>(907,639)</u>
NET CHANGE IN FUND BALANCES	(695,414)	(2,445,657)	2,796,152	5,241,809
Fund Balances - Beginning of Year	<u>5,149,165</u>	<u>5,149,165</u>	<u>5,149,165</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 4,453,751</u></u>	<u><u>\$ 2,703,508</u></u>	<u><u>\$ 7,945,317</u></u>	<u><u>\$ 5,241,809</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – ROAD FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 60,000	\$ 60,000	\$ 62,472	\$ 2,472
Licenses, Permits, and Franchises	88,295	88,295	60,581	(27,714)
Revenue from Use of Money and Property	35,000	35,000	(34,559)	(69,559)
Fines, Forfeitures, and Penalties	40,000	40,000	12,975	(27,025)
Intergovernmental	26,272,897	26,272,897	20,421,499	(5,851,398)
Charges for Services	81,242	81,242	466,855	385,613
Other Revenues	15,520	15,520	44,533	29,013
Total Revenues	<u>26,592,954</u>	<u>26,592,954</u>	<u>21,034,356</u>	<u>(5,558,598)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	<u>33,305,113</u>	<u>35,953,449</u>	<u>23,129,520</u>	<u>12,823,929</u>
Total Expenditures	<u>33,305,113</u>	<u>35,953,449</u>	<u>23,129,520</u>	<u>12,823,929</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,712,159)	(9,360,495)	(2,095,164)	7,265,331
OTHER FINANCING SOURCES (USES)				
Transfers In	4,707,615	7,109,648	7,109,648	-
Transfers Out	(30,000)	(30,000)	(328,712)	(298,712)
Total Other Financing Sources (Uses)	<u>4,677,615</u>	<u>7,079,648</u>	<u>6,780,936</u>	<u>(298,712)</u>
NET CHANGE IN FUND BALANCES	(2,034,544)	(2,280,847)	4,685,772	6,966,619
Fund Balances - Beginning of Year	<u>4,009,429</u>	<u>4,009,429</u>	<u>4,009,429</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,974,885</u>	<u>\$ 1,728,582</u>	<u>\$ 8,695,201</u>	<u>\$ 6,966,619</u>

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH TREATMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 9,500,000	\$ 9,500,000	\$ 10,618,847	\$ 1,118,847
Revenue from Use of Money and Property	200,000	200,000	(493,684)	(693,684)
Charges for Services	-	-	203,609	203,609
Total Revenues	<u>9,700,000</u>	<u>9,700,000</u>	<u>10,328,772</u>	<u>628,772</u>
EXPENDITURES				
Current:				
Health and Sanitation	<u>1,162,300</u>	<u>1,950,590</u>	<u>510,947</u>	<u>1,439,643</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,537,700	7,749,410	9,817,825	628,772
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(3,018,225)</u>	<u>(3,558,105)</u>	<u>(2,282,208)</u>	<u>1,275,897</u>
NET CHANGE IN FUND BALANCES	5,519,475	4,191,305	7,535,617	1,904,669
Fund Balances - Beginning of Year	<u>26,951,085</u>	<u>26,951,085</u>	<u>26,951,085</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 32,470,560</u></u>	<u><u>\$ 31,142,390</u></u>	<u><u>\$ 34,486,702</u></u>	<u><u>\$ 1,904,669</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – CANNABIS GRANTS FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	781,307	-	(781,307)
Revenue from Use of Money and Property	-	-	(427,642)	(427,642)
Charges for Services	-	-	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>-</u>	<u>781,307</u>	<u>(427,642)</u>	<u>(1,208,949)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	2,350,704	3,147,873	910,863	2,237,010
Recreation and Culture	-	-	-	-
Total Expenditures	<u>2,350,704</u>	<u>3,147,873</u>	<u>910,863</u>	<u>2,237,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,350,704)	(2,366,566)	(1,338,505)	1,028,061
OTHER FINANCING SOURCES (USES)				
Transfers In	-	15,893	3,107,418	3,091,525
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,893</u>	<u>3,107,418</u>	<u>3,091,525</u>
NET CHANGE IN FUND BALANCES	(2,350,704)	(2,350,673)	1,768,913	4,119,586
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (2,350,704)</u>	<u>\$ (2,350,673)</u>	<u>\$ 1,768,913</u>	<u>\$ 4,119,586</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

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 and the Endowment Fund.



SUPPLEMENTARY INFORMATION



OTHER BUDGETARY SCHEDULES



**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 35,800	\$ 15,800
Revenue from Use of Money and Property	(5,000)	(5,000)	(4,151)	849
Fines, Forfeitures, and Penalties	9,000	9,000	8,400	(600)
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>40,049</u>	<u>16,049</u>
EXPENDITURES				
Current:				
General Government	3,600	3,600	3,915	(315)
Debt Service:				
Principal	1,280,000	1,280,000	1,280,000	-
Interest	590,000	590,000	589,373	627
Total Expenditures	<u>1,873,600</u>	<u>1,873,600</u>	<u>1,873,288</u>	<u>312</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,849,600)	(1,849,600)	(1,833,239)	16,361
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,849,600</u>	<u>1,849,600</u>	<u>1,849,836</u>	<u>236</u>
NET CHANGE IN FUND BALANCES	-	-	16,597	16,597
Fund Balances - Beginning of Year	<u>2,004,034</u>	<u>2,004,034</u>	<u>2,004,034</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,004,034</u></u>	<u><u>\$ 2,004,034</u></u>	<u><u>\$ 2,020,631</u></u>	<u><u>\$ 16,597</u></u>

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ (30,000)	\$ (30,000)	\$ (43,068)	\$ (13,068)
Other Revenues	-	-	451,547	451,547
Total Revenues	<u>(30,000)</u>	<u>(30,000)</u>	<u>408,479</u>	<u>438,479</u>
EXPENDITURES				
Current:				
General Government	4,000	4,000	3,850	150
Debt Service:				
Principal	5,740,000	5,740,000	5,740,000	-
Interest	2,100,200	2,100,200	2,100,182	18
Total Expenditures	<u>7,844,200</u>	<u>7,844,200</u>	<u>7,844,032</u>	<u>168</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,874,200)	(7,874,200)	(7,435,553)	438,647
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>7,874,200</u>	<u>7,874,200</u>	<u>7,385,079</u>	<u>(489,121)</u>
NET CHANGE IN FUND BALANCES	-	-	(50,474)	(50,474)
Fund Balances - Beginning of Year	<u>8,067,650</u>	<u>8,067,650</u>	<u>8,067,650</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,067,650</u>	<u>\$ 8,067,650</u>	<u>\$ 8,017,176</u>	<u>\$ (50,474)</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 nonmajor 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 six branches located in Ukiah, Fort Bragg, Willits, Covelo, Point Arena, and Laytonville. The Bookmobile and outreach van provide 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.

**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

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:

- 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

- **DISASTER RECOVERY**

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.

- **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.

- **FIRE**

The Fire fund accounts for grant funded fire mitigation activities.

- **ENFORCEMENT - CANNABIS**

The Enforcement - Cannabis fund accounts grant funded cannabis enforcement activities.

**COUNTY OF MENDOCINO
NONMAJOR GOVERNMENTAL FUNDS**

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.

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.

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 nonmajor 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, 2022

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
ASSETS				
Cash and Investments in County Treasury	\$ 1,678,140	\$ 124,247	\$ 152,446	\$ 434,018
Imprest Cash	395	-	-	-
Accounts Receivable	1,773	-	-	-
Taxes Receivable	652,922	-	-	-
Due from Other Governmental Agencies	9,798	-	-	-
	<u>2,343,028</u>	<u>124,247</u>	<u>152,446</u>	<u>434,018</u>
Total Assets	<u>\$ 2,343,028</u>	<u>\$ 124,247</u>	<u>\$ 152,446</u>	<u>\$ 434,018</u>
LIABILITIES				
Accounts Payable	\$ 65,131	\$ 523	\$ -	\$ -
Accrued Salaries and Benefits	147,513	-	-	6,173
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
	<u>212,644</u>	<u>523</u>	<u>-</u>	<u>6,173</u>
Total Liabilities	<u>212,644</u>	<u>523</u>	<u>-</u>	<u>6,173</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable Endowments	-	-	-	-
Restricted	2,130,384	123,724	152,446	427,845
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>2,130,384</u>	<u>123,724</u>	<u>152,446</u>	<u>427,845</u>
Total Fund Balances	<u>2,130,384</u>	<u>123,724</u>	<u>152,446</u>	<u>427,845</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,343,028</u>	<u>\$ 124,247</u>	<u>\$ 152,446</u>	<u>\$ 434,018</u>

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
ASSETS				
Cash and Investments in County Treasury	\$ 656,425	\$ 58,080	\$ 213,762	\$ 83,585
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	(3)	-
Taxes Receivable	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
Total Assets	<u>\$ 656,425</u>	<u>\$ 58,080</u>	<u>\$ 213,759</u>	<u>\$ 83,585</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 669
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	656,425	58,080	213,759	82,916
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>656,425</u>	<u>58,080</u>	<u>213,759</u>	<u>82,916</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 656,425</u>	<u>\$ 58,080</u>	<u>\$ 213,759</u>	<u>\$ 83,585</u>

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Disaster Recovery Fund
ASSETS				
Cash and Investments in County Treasury	\$ 2,332,558	\$ 592,479	\$ -	\$ 12,408,304
Imprest Cash	-	-	200	-
Accounts Receivable	521,748	-	251,380	319,579
Taxes Receivable	-	-	-	-
Due from Other Governmental Agencies	1,771,387	-	28,442	33,936
	<u>1,771,387</u>	<u>-</u>	<u>28,442</u>	<u>33,936</u>
Total Assets	<u>\$ 4,625,693</u>	<u>\$ 592,479</u>	<u>\$ 280,022</u>	<u>\$ 12,761,819</u>
LIABILITIES				
Accounts Payable	\$ 724,231	\$ 349	\$ 27,610	\$ 306,538
Accrued Salaries and Benefits	113,556	-	29,077	38,414
Due to Other Funds	-	-	399,501	-
Unearned Revenue	-	-	-	4,878,878
	<u>837,787</u>	<u>349</u>	<u>456,188</u>	<u>5,223,830</u>
Total Liabilities	<u>837,787</u>	<u>349</u>	<u>456,188</u>	<u>5,223,830</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	201,219	319,580
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	3,787,906	592,130	-	7,218,409
Assigned	-	-	-	-
Unassigned	-	-	(377,385)	-
	<u>3,787,906</u>	<u>592,130</u>	<u>(377,385)</u>	<u>7,218,409</u>
Total Fund Balances	<u>3,787,906</u>	<u>592,130</u>	<u>(377,385)</u>	<u>7,218,409</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,625,693</u>	<u>\$ 592,479</u>	<u>\$ 280,022</u>	<u>\$ 12,761,819</u>

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue			
	Inter- governmental Transfer	Whole Person Care	Fire	Enforcement- Cannabis
ASSETS				
Cash and Investments in County Treasury	\$ 9,599,672	\$ 1,164,073	\$ 169,315	\$ 1,034,426
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,599,672</u>	<u>\$ 1,164,073</u>	<u>\$ 169,315</u>	<u>\$ 1,034,426</u>
LIABILITIES				
Accounts Payable	\$ 37,392	\$ 222,444	\$ 172,128	\$ -
Accrued Salaries and Benefits	-	15,081	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>37,392</u>	<u>237,525</u>	<u>172,128</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	9,562,280	926,548	-	1,034,426
Assigned	-	-	-	-
Unassigned	-	-	(2,813)	-
Total Fund Balances	<u>9,562,280</u>	<u>926,548</u>	<u>(2,813)</u>	<u>1,034,426</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,599,672</u>	<u>\$ 1,164,073</u>	<u>\$ 169,315</u>	<u>\$ 1,034,426</u>

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Capital Projects	Permanent Fund Endowment Funds	Total
ASSETS			
Cash and Investments in County Treasury	\$ 1,758,869	\$ 524,459	\$ 32,984,858
Imprest Cash	-	-	595
Accounts Receivable	-	-	1,094,477
Taxes Receivable	-	-	652,922
Due from Other Governmental Agencies	-	-	1,843,563
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,758,869</u>	<u>\$ 524,459</u>	<u>\$ 36,576,415</u>
LIABILITIES			
Accounts Payable	\$ 100,757	\$ -	\$ 1,657,772
Accrued Salaries and Benefits	-	-	349,814
Due to Other Funds	-	-	399,501
Unearned Revenue	-	-	4,878,878
Total Liabilities	<u>100,757</u>	<u>-</u>	<u>7,285,965</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	520,799
FUND BALANCE			
Nonspendable	-	524,459	524,459
Restricted	-	-	26,967,278
Assigned	1,658,112	-	1,658,112
Unassigned	-	-	(380,198)
Total Fund Balances	<u>1,658,112</u>	<u>524,459</u>	<u>28,769,651</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,758,869</u>	<u>\$ 524,459</u>	<u>\$ 36,576,415</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue			Supplemental Law Enforcement
	Library	Fish and Game	Special Aviation	
REVENUES				
Taxes	\$ 2,579,036	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from Other Governmental Agencies	42,302	-	-	200,454
Revenue from Use of Money and Property	(21,053)	(1,840)	(3,447)	(6,714)
Fines, Forfeitures, and Penalties	-	5,460	-	-
Charges for Services	18,917	-	-	-
Other Revenue	6,063	-	-	-
Total Revenues	<u>2,625,265</u>	<u>3,620</u>	<u>(3,447)</u>	<u>193,740</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	2,154	-	128,239
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,877,818	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,877,818</u>	<u>2,154</u>	<u>-</u>	<u>128,239</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,252,553)	1,466	(3,447)	65,501
OTHER FINANCING SOURCES (USES)				
Transfers In	1,407,423	-	-	-
Transfers Out	(167,208)	-	-	(5,731)
Total Other Financing Sources (Uses)	<u>1,240,215</u>	<u>-</u>	<u>-</u>	<u>(5,731)</u>
NET CHANGE IN FUND BALANCES	(12,338)	1,466	(3,447)	59,770
Fund Balances - Beginning of Year	<u>2,142,722</u>	<u>122,258</u>	<u>155,893</u>	<u>368,075</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,130,384</u>	<u>\$ 123,724</u>	<u>\$ 152,446</u>	<u>\$ 427,845</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from Other Governmental Agencies	235,191	-	-	-
Revenue from Use of Money and Property	(9,526)	(853)	(3,438)	(1,394)
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	92,522	18,149
Other Revenue	-	2,033	-	34,518
Total Revenues	<u>225,665</u>	<u>1,180</u>	<u>89,084</u>	<u>51,273</u>
EXPENDITURES				
Current:				
General Government	-	-	-	4,670
Public Protection	117,423	741	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>117,423</u>	<u>741</u>	<u>-</u>	<u>4,670</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	108,242	439	89,084	46,603
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	108,242	439	89,084	46,603
Fund Balances - Beginning of Year	<u>548,183</u>	<u>57,641</u>	<u>124,675</u>	<u>36,313</u>
FUND BALANCES - END OF YEAR	<u>\$ 656,425</u>	<u>\$ 58,080</u>	<u>\$ 213,759</u>	<u>\$ 82,916</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Disaster Recovery Fund
REVENUES				
Taxes	\$ -	\$ 89,700	\$ 173,700	\$ -
Licenses, Permits, and Franchises	-	-	337,368	-
Aid from Other Governmental Agencies	7,442,294	587	1,171,782	13,469,200
Revenue from Use of Money and Property	(52,735)	(13,393)	13,774	(280,530)
Fines, Forfeitures, and Penalties	-	-	2,706	-
Charges for Services	276,004	-	32,550	9,739
Other Revenue	-	-	335	-
Total Revenues	<u>7,665,563</u>	<u>76,894</u>	<u>1,732,215</u>	<u>13,198,409</u>
EXPENDITURES				
Current:				
General Government	506,065	-	-	-
Public Protection	1,030,320	-	644,307	7,564,786
Public Ways and Facilities	-	48,971	-	-
Health and Sanitation	4,782,683	-	873,969	-
Public Assistance	247,656	-	-	-
Education	-	-	-	-
Recreation and Culture	173	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>6,566,897</u>	<u>48,971</u>	<u>1,518,276</u>	<u>7,564,786</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,098,666	27,923	213,939	5,633,623
OTHER FINANCING SOURCES (USES)				
Transfers In	1,786,224	-	167,950	17,500,594
Transfers Out	(3,200,781)	-	(1,816,180)	(4,529,799)
Total Other Financing Sources (Uses)	<u>(1,414,557)</u>	<u>-</u>	<u>(1,648,230)</u>	<u>12,970,795</u>
NET CHANGE IN FUND BALANCES	(315,891)	27,923	(1,434,291)	18,604,418
Fund Balances - Beginning of Year	<u>4,103,797</u>	<u>564,207</u>	<u>1,056,906</u>	<u>(11,386,009)</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,787,906</u>	<u>\$ 592,130</u>	<u>\$ (377,385)</u>	<u>\$ 7,218,409</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue			
	Inter- governmental Transfer	Whole Person Care	Fire	Enforcement- Cannabis
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from Other Governmental Agencies	3,426,462	1,615,234	-	576,613
Revenue from Use of Money and Property	(217,032)	-	(3,651)	-
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	274,344	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>3,209,430</u>	<u>1,889,578</u>	<u>(3,651)</u>	<u>576,613</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	-	675,868	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	1,799,522	2,963,798	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,799,522</u>	<u>2,963,798</u>	<u>675,868</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,409,908	(1,074,220)	(679,519)	576,613
OTHER FINANCING SOURCES (USES)				
Transfers In	442,518	1,168,301	676,706	500,000
Transfers Out	(1,923,065)	(36,202)	-	(42,187)
Total Other Financing Sources (Uses)	<u>(1,480,547)</u>	<u>1,132,099</u>	<u>676,706</u>	<u>457,813</u>
NET CHANGE IN FUND BALANCES	(70,639)	57,879	(2,813)	1,034,426
Fund Balances - Beginning of Year	<u>9,632,919</u>	<u>868,669</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,562,280</u>	<u>\$ 926,548</u>	<u>\$ (2,813)</u>	<u>\$ 1,034,426</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Capital Projects	Permanent Fund Endowment Funds	Total
REVENUES			
Taxes	\$ -	\$ -	\$ 2,842,436
Licenses, Permits, and Franchises	-	-	337,368
Aid from Other Governmental Agencies	367,653	-	28,547,772
Revenue from Use of Money and Property	(28,466)	4,428	(625,870)
Fines, Forfeitures, and Penalties	-	-	8,166
Charges for Services	-	-	722,225
Other Revenue	-	-	42,949
Total Revenues	<u>339,187</u>	<u>4,428</u>	<u>31,875,046</u>
EXPENDITURES			
Current:			
General Government	-	46,940	557,675
Public Protection	-	-	10,163,838
Public Ways and Facilities	-	-	48,971
Health and Sanitation	-	-	10,419,972
Public Assistance	-	-	247,656
Education	-	-	3,877,818
Recreation and Culture	-	-	173
Capital Outlay	3,084,754	-	3,084,754
Total Expenditures	<u>3,084,754</u>	<u>46,940</u>	<u>28,400,857</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,745,567)	(42,512)	3,474,189
OTHER FINANCING SOURCES (USES)			
Transfers In	3,282,208	-	26,931,924
Transfers Out	-	-	(11,721,153)
Total Other Financing Sources (Uses)	<u>3,282,208</u>	<u>-</u>	<u>15,210,771</u>
NET CHANGE IN FUND BALANCES	536,641	(42,512)	18,684,960
Fund Balances - Beginning of Year	<u>1,121,471</u>	<u>566,971</u>	<u>10,084,691</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,658,112</u>	<u>\$ 524,459</u>	<u>\$ 28,769,651</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,311,200	\$ 2,311,200	\$ 2,579,036	\$ 267,836
Revenue from Use of Money and Property	30,000	30,000	(21,053)	(51,053)
Intergovernmental	5,000	34,296	42,302	8,006
Charges for Services	10,000	10,000	18,917	8,917
Other Revenues	5,000	5,000	6,063	1,063
Total Revenues	<u>2,361,200</u>	<u>2,390,496</u>	<u>2,625,265</u>	<u>234,769</u>
EXPENDITURES				
Current:				
Education	<u>4,455,134</u>	<u>4,450,439</u>	<u>3,877,818</u>	<u>572,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,093,934)	(2,059,943)	(1,252,553)	807,390
OTHER FINANCING SOURCES (USES)				
Transfers In	1,407,423	1,407,423	1,407,423	-
Transfers Out	<u>(55,000)</u>	<u>(101,845)</u>	<u>(167,208)</u>	<u>(65,363)</u>
Total Other Financing Sources (Uses)	<u>1,352,423</u>	<u>1,305,578</u>	<u>1,240,215</u>	<u>(65,363)</u>
NET CHANGE IN FUND BALANCES	(741,511)	(754,365)	(12,338)	742,027
Fund Balances - Beginning of Year	<u>2,142,722</u>	<u>2,142,722</u>	<u>2,142,722</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,401,211</u>	<u>\$ 1,388,357</u>	<u>\$ 2,130,384</u>	<u>\$ 742,027</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – FISH AND GAME FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 1,700	\$ 1,700	\$ (1,840)	\$ (3,540)
Fines, Forfeitures, and Penalties	10,000	10,000	5,460	(4,540)
Charges for Services	-	-	-	-
Total Revenues	<u>11,700</u>	<u>11,700</u>	<u>3,620</u>	<u>(8,080)</u>
EXPENDITURES				
Current:				
Public Protection	<u>10,222</u>	<u>10,222</u>	<u>2,154</u>	<u>8,068</u>
NET CHANGE IN FUND BALANCES	1,478	1,478	1,466	(12)
Fund Balances - Beginning of Year	<u>122,258</u>	<u>122,258</u>	<u>122,258</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 123,736</u></u>	<u><u>\$ 123,736</u></u>	<u><u>\$ 123,724</u></u>	<u><u>\$ (12)</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SUPPLEMENTAL LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 2,916	\$ 2,916	\$ (6,714)	\$ (9,630)
Intergovernmental	140,000	140,000	200,454	60,454
Total Revenues	<u>142,916</u>	<u>142,916</u>	<u>193,740</u>	<u>50,824</u>
EXPENDITURES				
Current:				
Public Protection	<u>489,290</u>	<u>489,290</u>	<u>128,239</u>	<u>361,051</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(346,374)	(346,374)	65,501	411,875
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(5,731)</u>	<u>(5,731)</u>
NET CHANGE IN FUND BALANCES	(346,374)	(346,374)	59,770	406,144
Fund Balances - Beginning of Year	<u>368,075</u>	<u>368,075</u>	<u>368,075</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,701</u>	<u>\$ 21,701</u>	<u>\$ 427,845</u>	<u>\$ 406,144</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – COPS AB 1913 FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ 1,000	\$ (9,526)	\$ (10,526)
Intergovernmental	-	235,191	235,191	-
Total Revenues	-	236,191	225,665	(10,526)
EXPENDITURES				
Current:				
Public Protection	-	245,687	117,423	128,264
NET CHANGE IN FUND BALANCES	-	(9,496)	108,242	117,738
Fund Balances - Beginning of Year	548,183	548,183	548,183	-
FUND BALANCES - END OF YEAR	<u>\$ 548,183</u>	<u>\$ 538,687</u>	<u>\$ 656,425</u>	<u>\$ 117,738</u>

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SHERIFF SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 750	\$ 750	\$ (853)	\$ (1,603)
Other Revenues	1,000	1,000	2,033	1,033
Total Revenues	<u>1,750</u>	<u>1,750</u>	<u>1,180</u>	<u>(570)</u>
EXPENDITURES				
Current:				
Public Protection	<u>51,750</u>	<u>51,750</u>	<u>741</u>	<u>51,009</u>
NET CHANGE IN FUND BALANCES	(50,000)	(50,000)	439	50,439
Fund Balances - Beginning of Year	<u>57,641</u>	<u>57,641</u>	<u>57,641</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 7,641</u></u>	<u><u>\$ 7,641</u></u>	<u><u>\$ 58,080</u></u>	<u><u>\$ 50,439</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – RECORDER MODERNIZATION FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 800	\$ 800	\$ (3,438)	\$ (4,238)
Charges for Services	65,150	65,150	92,522	27,372
Total Revenues	<u>65,950</u>	<u>65,950</u>	<u>89,084</u>	<u>23,134</u>
EXPENDITURES				
Current:				
General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	65,950	65,950	89,084	23,134
Fund Balances - Beginning of Year	<u>124,675</u>	<u>124,675</u>	<u>124,675</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 190,625</u></u>	<u><u>\$ 190,625</u></u>	<u><u>\$ 213,759</u></u>	<u><u>\$ 23,134</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MICROGRAPHICS FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ (1,394)	\$ (1,394)
Charges for Services	16,000	16,000	18,149	2,149
Other Revenues	(15,600)	(15,600)	34,518	50,118
Total Revenues	<u>400</u>	<u>400</u>	<u>51,273</u>	<u>50,873</u>
EXPENDITURES				
Current:				
General Government	-	-	4,670	(4,670)
NET CHANGE IN FUND BALANCES	400	400	46,603	46,203
Fund Balances - Beginning of Year	<u>36,313</u>	<u>36,313</u>	<u>36,313</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 36,713</u>	<u>\$ 36,713</u>	<u>\$ 82,916</u>	<u>\$ 46,203</u>

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MISCELLANEOUS GRANTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ 342,629	\$ 342,629	\$ -	\$ (342,629)
Intergovernmental	32,533,469	26,425,614	7,442,294	(18,983,320)
Revenue from Use of Money and Property	-	-	(52,735)	(52,735)
Charges for Services	231,061	299,122	276,004	(23,118)
Other Revenues	39,298	39,298	-	(39,298)
Total Revenues	<u>33,146,457</u>	<u>27,106,663</u>	<u>7,665,563</u>	<u>(19,441,100)</u>
EXPENDITURES				
Current:				
General Government	1,054,729	866,799	506,065	360,734
Public Protection	8,814,737	8,558,377	1,030,320	7,528,057
Health and Sanitation	21,250,398	15,768,298	4,782,683	10,985,615
Public Assistance	1,950,638	1,950,638	247,656	1,702,982
Recreation and Culture	-	-	173	(173)
Total Expenditures	<u>33,070,502</u>	<u>27,144,112</u>	<u>6,566,897</u>	<u>20,577,388</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	75,955	(37,449)	1,098,666	1,136,288
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,786,224	1,786,224
Transfers Out	-	-	(3,200,781)	(3,200,781)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,414,557)</u>	<u>(1,414,557)</u>
NET CHANGE IN FUND BALANCES	75,955	(37,449)	(315,891)	(278,269)
Fund Balances - Beginning of Year	<u>4,103,797</u>	<u>4,103,797</u>	<u>4,103,797</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,179,752</u>	<u>\$ 4,066,348</u>	<u>\$ 3,787,906</u>	<u>\$ (278,269)</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS LIGHTING FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 84,050	\$ 84,050	\$ 89,700	\$ 5,650
Intergovernmental	635	635	587	(48)
Revenue from Use of Money and Property	-	-	(13,393)	(13,393)
Total Revenues	<u>84,685</u>	<u>84,685</u>	<u>76,894</u>	<u>(7,791)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	<u>44,300</u>	<u>44,300</u>	<u>48,971</u>	<u>(4,671)</u>
NET CHANGE IN FUND BALANCES	40,385	40,385	27,923	(12,462)
Fund Balances - Beginning of Year	<u>564,207</u>	<u>564,207</u>	<u>564,207</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 604,592</u></u>	<u><u>\$ 604,592</u></u>	<u><u>\$ 592,130</u></u>	<u><u>\$ (12,462)</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS OTHER FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 162,610	\$ 162,610	\$ 173,700	\$ 11,090
Licenses, Permits, and Franchises	352,600	352,600	337,368	(15,232)
Revenue from Use of Money and Property	6,000	6,000	13,774	7,774
Fines, Forfeitures, and Penalties	5,000	5,000	2,706	(2,294)
Intergovernmental	955,220	1,035,220	1,171,782	136,562
Charges for Services	86,000	101,000	32,550	(68,450)
Other Revenues	5,500	5,500	335	(5,165)
Total Revenues	<u>1,572,930</u>	<u>1,667,930</u>	<u>1,732,215</u>	<u>64,285</u>
EXPENDITURES				
Current:				
Public Protection	443,600	661,350	644,307	17,043
Health and Sanitation	1,170,061	1,179,125	873,969	305,156
Total Expenditures	<u>1,613,661</u>	<u>1,840,475</u>	<u>1,518,276</u>	<u>322,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,731)	(172,545)	213,939	386,484
OTHER FINANCING SOURCES (USES)				
Transfers In	45,200	167,950	167,950	386,484
Transfers Out	-	-	(1,816,180)	(1,816,180)
Total Other Financing Sources (Uses)	<u>45,200</u>	<u>167,950</u>	<u>(1,648,230)</u>	<u>(1,429,696)</u>
NET CHANGE IN FUND BALANCES	4,469	(4,595)	(1,434,291)	(1,043,212)
Fund Balances - Beginning of Year	<u>1,056,906</u>	<u>1,056,906</u>	<u>1,056,906</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,061,375</u>	<u>\$ 1,052,311</u>	<u>\$ (377,385)</u>	<u>\$ (1,043,212)</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DISASTER RECOVERY FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,840,500	\$ 15,364,393	\$ 13,469,200	\$ (1,895,193)
Charges for Services	-	-	9,739	9,739
Revenue from Use of Money and Property	-	-	(280,530)	(280,530)
Total Revenues	<u>4,840,500</u>	<u>15,364,393</u>	<u>13,198,409</u>	<u>(2,165,984)</u>
EXPENDITURES				
Current:				
Public Protection	<u>8,149,884</u>	<u>25,313,366</u>	<u>7,564,786</u>	<u>17,748,580</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,309,384)	(9,948,973)	5,633,623	15,582,596
OTHER FINANCING SOURCES (USES)				
Transfers In	1,500,000	17,500,594	17,500,594	-
Transfers Out	-	(8,006,544)	(4,529,799)	3,476,745
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>9,494,050</u>	<u>12,970,795</u>	<u>3,476,745</u>
NET CHANGE IN FUND BALANCES	(1,809,384)	(454,923)	18,604,418	19,059,341
Fund Balances - Beginning of Year	<u>(11,386,009)</u>	<u>(11,386,009)</u>	<u>(11,386,009)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (13,195,393)</u></u>	<u><u>\$ (11,840,932)</u></u>	<u><u>\$ 7,218,409</u></u>	<u><u>\$ 19,059,341</u></u>

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – INTER-GOVERNMENTAL TRANSFERS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,380,000	\$ 6,380,000	\$ 3,426,462	\$ (2,953,538)
Revenue from Use of Money and Property	-	-	(217,032)	(217,032)
Total Revenues	<u>6,380,000</u>	<u>6,380,000</u>	<u>3,209,430</u>	<u>(2,953,538)</u>
EXPENDITURES				
Current:				
Health and Sanitation	2,890,000	2,890,000	1,799,522	1,090,478
Total Expenditures	<u>2,890,000</u>	<u>2,890,000</u>	<u>1,799,522</u>	<u>1,090,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,490,000	3,490,000	1,409,908	(1,863,060)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	442,518	442,518
Transfers Out	(3,583,217)	(3,583,217)	(1,923,065)	1,660,152
Total Other Financing Sources (Uses)	<u>(3,583,217)</u>	<u>(3,583,217)</u>	<u>(1,480,547)</u>	<u>2,102,670</u>
NET CHANGE IN FUND BALANCES	(93,217)	(93,217)	(70,639)	239,610
Fund Balances - Beginning of Year	<u>9,632,919</u>	<u>9,632,919</u>	<u>9,632,919</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 9,539,702</u></u>	<u><u>\$ 9,539,702</u></u>	<u><u>\$ 9,562,280</u></u>	<u><u>\$ 239,610</u></u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – WHOLE PERSON CARE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 900,000	\$ 900,000	\$ 1,615,234	\$ 715,234
Charges for Services	28,094	28,094	274,344	246,250
Total Revenues	<u>928,094</u>	<u>928,094</u>	<u>1,889,578</u>	<u>961,484</u>
EXPENDITURES				
Current:				
Health and Sanitation	1,651,238	2,301,238	2,963,798	(662,560)
Total Expenditures	<u>1,651,238</u>	<u>2,301,238</u>	<u>2,963,798</u>	<u>(662,560)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(723,144)	(1,373,144)	(1,074,220)	298,924
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,168,301	1,168,301
Transfers Out	-	-	(36,202)	(36,202)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,132,099</u>	<u>1,132,099</u>
NET CHANGE IN FUND BALANCES	(723,144)	(1,373,144)	57,879	1,431,023
Fund Balances - Beginning of Year	<u>868,669</u>	<u>868,669</u>	<u>868,669</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 145,525</u>	<u>\$ (504,475)</u>	<u>\$ 926,548</u>	<u>\$ 1,431,023</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – FIRE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ (3,651)	\$ (3,651)
Total Revenues	<u>-</u>	<u>-</u>	<u>(3,651)</u>	<u>(3,651)</u>
EXPENDITURES				
Current:				
Public Protection	700,000	700,000	675,868	24,132
Total Expenditures	<u>700,000</u>	<u>700,000</u>	<u>675,868</u>	<u>24,132</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(700,000)	(700,000)	(679,519)	20,481
OTHER FINANCING SOURCES (USES)				
Transfers In	700,000	700,000	676,706	(23,294)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>700,000</u>	<u>700,000</u>	<u>676,706</u>	<u>(23,294)</u>
NET CHANGE IN FUND BALANCES	-	-	(2,813)	(2,813)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,813)</u>	<u>\$ (2,813)</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – ENFORCEMENT CANNABIS FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Aid from Other Governmental Agencies	\$ -	\$ 600,000	\$ 576,613	\$ (23,387)
Total Revenues	-	600,000	576,613	(23,387)
EXPENDITURES				
Current:				
Public Protection	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	600,000	576,613	(23,387)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	500,000	500,000	-
Transfers Out	-	(42,187)	(42,187)	-
Total Other Financing Sources (Uses)	-	457,813	457,813	-
NET CHANGE IN FUND BALANCES	-	1,057,813	1,034,426	(23,387)
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 1,057,813</u>	<u>\$ 1,034,426</u>	<u>\$ (23,387)</u>

**COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 3,000	\$ 3,000	\$ (28,466)	\$ (31,466)
Intergovernmental	-	-	367,653	367,653
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>339,187</u>	<u>336,187</u>
EXPENDITURES				
Current:				
Capital Outlay	4,309,225	5,309,225	3,084,754	2,224,471
Total Expenditures	<u>4,309,225</u>	<u>5,309,225</u>	<u>3,084,754</u>	<u>2,224,471</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,306,225)	(5,306,225)	(2,745,567)	2,560,658
OTHER FINANCING SOURCES (USES)				
Transfers In	3,018,225	4,018,225	3,282,208	736,017
Total Other Financing Sources (Uses)	<u>3,018,225</u>	<u>4,018,225</u>	<u>3,282,208</u>	<u>736,017</u>
NET CHANGE IN FUND BALANCES	(1,288,000)	(1,288,000)	536,641	3,296,675
Fund Balances - Beginning of Year	<u>1,121,471</u>	<u>1,121,471</u>	<u>1,121,471</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (166,529)</u>	<u>\$ (166,529)</u>	<u>\$ 1,658,112</u>	<u>\$ 3,296,675</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
- AirMedCare air ambulance service memberships.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2022

ASSETS	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
CURRENT ASSETS				
Pooled Cash and Investments in County Treasury	\$ 6,288,291	\$ 307,218	\$ 761,918	\$ 963,350
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Governments	913	-	-	-
Total Current Assets	<u>6,289,204</u>	<u>307,218</u>	<u>761,918</u>	<u>963,350</u>
NONCURRENT ASSETS				
Capital Assets:				
Depreciable, Net	2,300,843	8,458	-	-
Lease Assets, Net	<u>2,198,336</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>4,499,179</u>	<u>8,458</u>	<u>-</u>	<u>-</u>
Total Assets	10,788,383	315,676	761,918	963,350
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	154,494	-	-	268,958
Accrued Salaries and Benefits	-	-	-	25,420
Due to Other Funds	-	-	-	-
Compensated Absences Payable	-	-	-	4,605
Liability for Unpaid Claims	-	-	26,516	875,977
Lease Liability	157,090	-	-	-
Total Current Liabilities	<u>311,584</u>	<u>-</u>	<u>26,516</u>	<u>1,174,960</u>
NONCURRENT LIABILITIES				
Lease Liability	<u>2,075,758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>2,075,758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	2,387,342	-	26,516	1,174,960
NET POSITION				
Net Investment in Capital Assets	2,266,331	8,458	-	-
Unrestricted	<u>6,134,710</u>	<u>307,218</u>	<u>735,402</u>	<u>(211,610)</u>
Total Net Position	<u>\$ 8,401,041</u>	<u>\$ 315,676</u>	<u>\$ 735,402</u>	<u>\$ (211,610)</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2022

ASSETS	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
CURRENT ASSETS			
Pooled Cash and Investments in			
County Treasury	\$ 1,257,278	\$ -	\$ 9,578,055
Other Cash	-	125,123	125,123
Accounts Receivable	-	200,853	200,853
Due from Other Governments	-	-	913
Total Current Assets	<u>1,257,278</u>	<u>325,976</u>	<u>9,904,944</u>
NONCURRENT ASSETS			
Capital Assets:			
Depreciable, Net	-	-	2,309,301
Lease Assets, Net	-	-	<u>2,198,336</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>4,507,637</u>
 Total Assets	 1,257,278	 325,976	 14,412,581
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	1,046	411,803	836,301
Accrued Salaries and Benefits	5,815	45,294	76,529
Due to Other Funds	-	1,109,034	1,109,034
Compensated Absences Payable	-	16,076	20,681
Liability for Unpaid Claims	-	2,430,132	3,332,625
Lease Liability	-	-	157,090
Total Current Liabilities	<u>6,861</u>	<u>4,012,339</u>	<u>5,532,260</u>
NONCURRENT LIABILITIES			
Lease Liability	-	-	2,075,758
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>2,075,758</u>
 Total Liabilities	 6,861	 4,012,339	 7,608,018
NET POSITION			
Net Investment in Capital Assets	-	-	2,274,789
Unrestricted	<u>1,250,417</u>	<u>(3,686,363)</u>	<u>4,529,774</u>
 Total Net Position	 <u>\$ 1,250,417</u>	 <u>\$ (3,686,363)</u>	 <u>\$ 6,804,563</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
OPERATING REVENUES				
Charges and Fees	\$ 2,510,091	\$ -	\$ 200,000	\$ 2,803,280
Other Revenues	-	-	-	-
Total Operating Revenues	<u>2,510,091</u>	<u>-</u>	<u>200,000</u>	<u>2,803,280</u>
OPERATING EXPENSES				
Salaries and Benefits	-	-	-	100,224
Services and Supplies	3,017,813	-	861	530,936
Insurance	-	-	-	2,022,539
Depreciation and Amortization	401,159	65,683	-	-
Claims and Judgments	-	-	125,767	650,135
Total Operating Expenses	<u>3,418,972</u>	<u>65,683</u>	<u>126,628</u>	<u>3,303,834</u>
OPERATING INCOME (LOSS)	(908,881)	(65,683)	73,372	(500,554)
NONOPERATING REVENUES (EXPENSES)				
Other Revenues	-	-	-	42,009
Interest Revenue (Expense)	(89,194)	(6,418)	(10,996)	(12,692)
Total Nonoperating Revenues	<u>(89,194)</u>	<u>(6,418)</u>	<u>(10,996)</u>	<u>29,317</u>
INCOME (LOSS) BEFORE TRANSFERS	(998,075)	(72,101)	62,376	(471,237)
TRANSFERS IN	2,502,765	247,000	-	-
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,487)</u>
CHANGE IN NET POSITION	1,504,690	174,899	62,376	(476,724)
Net Position - Beginning of Year, Restated	<u>6,896,351</u>	<u>140,777</u>	<u>673,026</u>	<u>265,114</u>
NET POSITION - END OF YEAR	<u>\$ 8,401,041</u>	<u>\$ 315,676</u>	<u>\$ 735,402</u>	<u>\$ (211,610)</u>

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges and Fees	\$ 4,499,538	\$ 17,747,093	\$ 27,760,002
Other Revenues	-	37,456	37,456
Total Operating Revenues	<u>4,499,538</u>	<u>17,784,549</u>	<u>27,797,458</u>
OPERATING EXPENSES			
Salaries and Benefits	105,343	508,162	713,729
Services and Supplies	36,857	595,166	4,181,633
Insurance	4,750,141	1,528,656	8,301,336
Depreciation and Amortization	-	-	466,842
Claims and Judgments	-	16,092,265	16,868,167
Total Operating Expenses	<u>4,892,341</u>	<u>18,724,249</u>	<u>30,531,707</u>
OPERATING INCOME (LOSS)	(392,803)	(939,700)	(2,734,249)
NONOPERATING REVENUES (EXPENSES)			
Other Revenues	-	-	42,009
Interest Revenue (Expense)	(23,954)	(12,943)	(156,197)
Total Nonoperating Revenues	<u>(23,954)</u>	<u>(12,943)</u>	<u>(114,188)</u>
INCOME (LOSS) BEFORE TRANSFERS	(416,757)	(952,643)	(2,848,437)
TRANSFERS IN	-	1,318,569	4,068,334
TRANSFERS OUT	<u>(5,026)</u>	<u>(377,974)</u>	<u>(388,487)</u>
CHANGE IN NET POSITION	(421,783)	(12,048)	831,410
Net Position - Beginning of Year, Restated	<u>1,672,200</u>	<u>(3,674,315)</u>	<u>5,973,153</u>
NET POSITION - END OF YEAR	<u>\$ 1,250,417</u>	<u>\$ (3,686,363)</u>	<u>\$ 6,804,563</u>

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 2,509,178	\$ -	\$ 200,000	\$ 2,803,280
Cash Paid to Employees for Services	-	-	-	(95,121)
Cash Paid to Suppliers for Goods and Services	(2,929,269)	-	(119,976)	(3,207,383)
Net Cash Provided (Used) by Operating Activities	(420,091)	-	80,024	(499,224)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Noncapital Other Contributions	-	-	-	42,009
Transfers In	2,502,765	247,000	-	-
Transfers Out	-	-	-	(5,487)
Net Cash Provided (Used) by Noncapital Financing Activities	2,502,765	247,000	-	36,522
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(232,701)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(232,701)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment loss	(89,194)	(6,418)	(10,996)	(12,692)
Net Cash Provided (Used) by Investing Activities	(89,194)	(6,418)	(10,996)	(12,692)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	1,760,779	240,582	69,028	(475,394)
Cash and Cash Equivalents - Beginning of Year	4,527,512	66,636	692,890	1,438,744
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,288,291	\$ 307,218	\$ 761,918	\$ 963,350
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (908,881)	\$ (65,683)	\$ 73,372	\$ (500,554)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	401,159	65,683	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(913)	-	-	-
Increase (Decrease) in:				
Accounts Payable	88,544	-	-	194,021
Accrued Salaries	-	-	-	19,490
Compensated Absences	-	-	-	(14,387)
Claims Liability	-	-	6,652	(197,794)
Net Cash Provided (Used) by Operating Activities	\$ (420,091)	\$ -	\$ 80,024	\$ (499,224)

**COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 4,499,538	\$ 17,596,068	\$ 27,608,064
Cash Paid to Employees for Services	(105,289)	(498,800)	(699,210)
Cash Paid to Suppliers for Goods and Services	(4,786,193)	(18,299,428)	(29,342,249)
Net Cash Provided (Used) by Operating Activities	(391,944)	(1,202,160)	(2,433,395)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital Other Contributions	-	-	42,009
Transfers In	-	1,630,532	4,380,297
Transfers Out	(5,026)	(377,974)	(388,487)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,026)	1,252,558	4,033,819
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	(232,701)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(232,701)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment loss	(23,954)	(12,943)	(156,197)
Net Cash Provided (Used) by Investing Activities	(23,954)	(12,943)	(156,197)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(420,924)	37,455	1,211,526
Cash and Cash Equivalents - Beginning of Year	1,678,202	87,668	8,491,652
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,257,278	\$ 125,123	\$ 9,703,178
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (392,803)	\$ (939,700)	\$ (2,734,249)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	466,842
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	(188,481)	(189,394)
Increase (Decrease) in:			
Accounts Payable	805	58,225	341,595
Accrued Salaries	54	14,110	33,654
Compensated Absences	-	(4,748)	(19,135)
Claims Liability	-	(141,566)	(332,708)
Net Cash Provided (Used) by Operating Activities	\$ (391,944)	\$ (1,202,160)	\$ (2,433,395)

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, 2022**

	<u>Special Districts Local Boards</u>	<u>School Districts</u>	<u>Total</u>
ASSETS			
Cash and Investments in County Treasury	\$ 12,231,045	\$ 231,870,301	\$ 244,101,346
Accounts Receivable	10,977	-	10,977
Due from Other Governments	1,770	-	1,770
	<u>1,770</u>	<u>-</u>	<u>1,770</u>
Total Assets	<u>\$ 12,243,792</u>	<u>\$ 231,870,301</u>	<u>\$ 244,114,093</u>
LIABILITIES			
Accounts Payable	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 350</u>
NET POSITION			
Restricted for Pool Participants	<u>\$ 12,243,792</u>	<u>\$ 231,869,951</u>	<u>\$ 244,113,743</u>

**COUNTY OF MENDOCINO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY
 NET POSITION – INVESTMENT TRUST FUND
 YEAR ENDED JUNE 30, 2022**

	<u>Special Districts Local Boards</u>	<u>School Districts</u>	<u>Total</u>
ADDITIONS			
Contributions on Pooled Investments	\$ 23,272,042	\$ 444,301,777	\$ 467,573,819
Interest and Investment Earnings	<u>(252,117)</u>	<u>(5,242,185)</u>	<u>(5,494,302)</u>
Total Additions	23,019,925	439,059,592	462,079,517
DEDUCTIONS			
Distributions from Investment Pool	<u>32,027,405</u>	<u>399,889,335</u>	<u>431,916,740</u>
Total Deductions	<u>32,027,405</u>	<u>399,889,335</u>	<u>431,916,740</u>
CHANGE IN NET POSITION	(9,007,480)	39,170,257	30,162,777
Net Position - Beginning of Year	<u>21,251,272</u>	<u>192,699,694</u>	<u>213,950,966</u>
NET POSITION - END OF YEAR	<u>\$ 12,243,792</u>	<u>\$ 231,869,951</u>	<u>\$ 244,113,743</u>



PRIVATE PURPOSE TRUST FUNDS



**COUNTY OF MENDOCINO
PRIVATE PURPOSE TRUST FUNDS**

PRIVATE PURPOSE TRUST FUNDS

Private purpose trust funds are used by the County to account for the assets where the County has fiduciary responsibility for residents who have been deemed by the court to be unable to support themselves or be unable to meet their basic needs, or for residents who pass away without a will or family willing to administer their Estate. The County has the following types of Private Purpose Trust Funds:

- **BEHAVIORAL HEALTH CONSERVATORSHIP**
Under the Lanterman-Petris-Short (LPS) Conservatorship, the County is appointed by the Courts as the guardian of the estate. A majority of these funds are SSI and SSA, which are disbursed by the Social Security Administration and deposited into the County Treasurer to be held in trust, however there are additional forms of assets.

- **PUBLIC GUARDIAN**
Under Probate, the County is appointed by the by the Courts and is involved in all aspects of their clients' lives, including financial management.

- **PUBLIC ADMINSTRATOR**
The County is responsible for administering the Estate of a resident who pass away without a will or no family who is willing to administer the Estate.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF FIDUCIARY NET POSITION – PRIVATE PURPOSE TRUST FUND
JUNE 30, 2022

	<u>Behavioral Health Conservatorship</u>	<u>Public Guardian</u>	<u>Public Administrator</u>	<u>Total</u>
ASSETS				
Cash in Trust Account	<u>\$ 196,799</u>	<u>\$ 176,364</u>	<u>\$ 1,021,119</u>	<u>\$ 1,394,282</u>
Total Assets	<u><u>\$ 196,799</u></u>	<u><u>\$ 176,364</u></u>	<u><u>\$ 1,021,119</u></u>	<u><u>\$ 1,394,282</u></u>
NET POSITION				
Restricted for Private Purpose Trust Participants	<u><u>\$ 196,799</u></u>	<u><u>\$ 176,364</u></u>	<u><u>\$ 1,021,119</u></u>	<u><u>\$ 1,394,282</u></u>

**COUNTY OF MENDOCINO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY
 NET POSITION – PRIVATE PURPOSE TRUST FUND
 YEAR ENDED JUNE 30, 2022**

	Behavioral Health Conservatorship	Public Guardian	Public Administrator	Total
ADDITIONS				
Contributions to Private Purpose Trust	\$ 765,713	\$ 1,595,885	\$ 1,538,832	\$ 3,900,430
Total Additions	<u>765,713</u>	<u>1,595,885</u>	<u>1,538,832</u>	<u>3,900,430</u>
DEDUCTIONS				
Distributions from Private Purpose Trust	568,914	1,419,521	517,713	2,506,148
Total Deductions	<u>568,914</u>	<u>1,419,521</u>	<u>517,713</u>	<u>2,506,148</u>
CHANGE IN NET POSITION	196,799	176,364	1,021,119	1,394,282
Net Position - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 196,799</u>	<u>\$ 176,364</u>	<u>\$ 1,021,119</u>	<u>\$ 1,394,282</u>





STATISTICAL SECTION



– STATISTICAL SECTION PHOTO –
Hendy Woods, Philo, 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,				
	2013	2014	2015	2016	2017
Governmental Activities:					
Net Investment in Capital Assets	\$ 75,464	\$ 77,487	\$ 83,929	\$ 89,588	\$ 94,282
Restricted	29,746	30,589	29,584	30,684	33,815
Unrestricted	<u>(26,506)</u>	<u>(28,097)</u>	<u>(162,305)</u>	<u>(159,976)</u>	<u>(163,487)</u>
Total Primary Government Net Position	<u>\$ 78,704</u>	<u>\$ 79,979</u>	<u>\$ (48,792)</u>	<u>\$ (39,704)</u>	<u>\$ (35,390)</u>
	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Governmental Activities:					
Net Investment in Capital Assets	\$ 102,445	\$ 109,538	\$ 109,188	\$ 129,961	\$ 137,807
Restricted	50,179	70,808	70,808	105,021	118,600
Unrestricted	<u>(177,033)</u>	<u>(177,546)</u>	<u>(160,349)</u>	<u>(191,378)</u>	<u>(167,872)</u>
Total Primary Government Net Position	<u>\$ (24,409)</u>	<u>\$ 2,800</u>	<u>\$ 19,647</u>	<u>\$ 43,604</u>	<u>\$ 88,535</u>

Notes:

1. 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 is 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.
2. 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,				
	2013	2014	2015	2016	2017
Expenses (by Function)					
Governmental Activities:					
General Government	\$ 12,977	\$ 15,163	\$ 15,424	\$ 17,558	\$ 19,054
Public Protection	49,524	52,834	55,033	56,687	64,849
Public Ways and Facilities	13,697	13,130	15,381	12,394	14,232
Health and Sanitation	30,084	35,195	36,322	32,292	30,904
Public Assistance	54,622	58,200	58,778	67,853	70,006
Education	2,115	2,635	2,965	3,540	3,685
Recreation and Culture	411	454	611	599	536
Debt Service:					
Interest	6,148	4,977	4,710	4,484	4,252
Total Primary Government Expenses	<u>\$ 169,578</u>	<u>\$ 182,588</u>	<u>\$ 189,224</u>	<u>\$ 195,407</u>	<u>\$ 207,518</u>

	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Expenses (by Function)					
Governmental Activities:					
General Government	\$ 18,343	\$ 18,901	\$ 22,640	\$ 22,851	\$ 25,124
Public Protection	69,949	69,229	77,464	84,642	75,087
Public Ways and Facilities	13,277	16,113	22,550	22,350	19,246
Health and Sanitation	49,695	53,071	57,374	70,044	57,025
Public Assistance	72,611	71,373	77,122	80,230	75,686
Education	3,812	4,092	4,174	3,937	3,710
Recreation and Culture	461	524	554	617	545
Debt Service:					
Interest	4,087	3,870	3,405	2,923	2,454
Total Primary Government Expenses	<u>\$ 232,235</u>	<u>\$ 237,173</u>	<u>\$ 265,284</u>	<u>\$ 287,593</u>	<u>\$ 258,877</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,				
	2013	2014	2015	2016	2017
Program Revenue (by Function)					
Governmental Activities:					
General Government	\$ 2,947	\$ 2,911	\$ 2,846	\$ 3,220	\$ 3,731
Public Protection	8,105	9,954	9,306	9,987	11,091
Public Ways and Facilities	303	268	234	247	263
Health and Sanitation	4,130	3,218	3,692	4,114	3,843
Public Assistance	100	142	274	219	444
Education	49	49	62	50	57
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	101,039	102,164	105,656	110,986	115,677
Capital Grants and Contributions	3,484	4,431	6,410	6,391	4,974
Total Primary Government Program Revenues	<u>120,157</u>	<u>123,137</u>	<u>128,480</u>	<u>135,214</u>	<u>140,080</u>
 Total Primary Net Expense	<u><u>\$ (49,421)</u></u>	<u><u>\$ (59,451)</u></u>	<u><u>\$ 123,770</u></u>	<u><u>\$ (60,193)</u></u>	<u><u>\$ (67,438)</u></u>
	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Program Revenue (by Function)					
Governmental Activities:					
General Government	\$ 4,403	\$ 9,111	\$ 3,639	\$ 4,024	\$ 4,705
Public Protection	9,626	9,602	10,321	9,045	8,739
Public Ways and Facilities	325	955	346	482	540
Health and Sanitation	5,944	10,696	6,396	7,934	8,272
Public Assistance	539	523	400	620	975
Education	-	58	29	787	19
Recreation and Culture	-	10	17	10	4
Operating Grants and Contributions	130,234	135,467	145,481	177,464	172,850
Capital Grants and Contributions	3,756	6,468	3,191	3,405	4,131
Total Primary Government Program Revenues	<u>154,827</u>	<u>172,890</u>	<u>169,821</u>	<u>203,771</u>	<u>200,236</u>
 Total Primary Net Expense	<u><u>\$ (77,408)</u></u>	<u><u>\$ (64,282)</u></u>	<u><u>\$ (95,463)</u></u>	<u><u>\$ (83,821)</u></u>	<u><u>\$ (58,642)</u></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,				
	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 41,490	\$ 41,090	\$ 43,773	\$ 46,801	\$ 48,171
Sales and Use Taxes	12,752	13,396	14,687	14,507	14,912
Transient Occupancy Tax	3,618	3,856	4,491	4,945	5,152
Other	334	388	426	429	504
Unrestricted Interest and Investment Earning	780	375	274	431	719
Gain on Sale of Assets	-	155	-	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	1,939	1,467	4,258	2,168	2,294
Total Primary Government	<u>60,913</u>	<u>60,727</u>	<u>67,909</u>	<u>69,281</u>	<u>71,752</u>
Change in Net Position					
Total Primary Government	<u>\$ 11,492</u>	<u>\$ 1,276</u>	<u>\$ 67,909</u>	<u>\$ 9,088</u>	<u>\$ 4,314</u>

	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 50,490	\$ 51,843	\$ 51,500	\$ 55,715	\$ 56,136
Sales and Use Taxes	17,480	25,084	24,743	31,030	32,853
Transient Occupancy Tax	5,682	5,872	4,785	7,961	9,261
Other	2,025	4,660	6,227	6,727	4,011
Unrestricted Interest and Investment Earning	1,396	1,683	3,141	549	(2,453)
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	-	22,652	-	-
Miscellaneous	2,638	2,347	2,136	2,375	2,330
Total Primary Government	<u>79,711</u>	<u>91,490</u>	<u>115,183</u>	<u>104,357</u>	<u>102,137</u>
Change in Net Position					
Total Primary Government	<u>\$ 2,303</u>	<u>\$ 27,208</u>	<u>\$ 19,721</u>	<u>\$ 20,535</u>	<u>\$ 43,495</u>

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,				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 58,193	\$ 58,730	\$ 63,378	\$ 66,682	\$ 68,739
Licenses, Permits, and Franchises	2,799	2,913	2,925	2,812	3,377
Intergovernmental	101,447	109,770	112,479	115,851	124,372
Revenue from Use of Money and Property	735	338	247	387	622
Fines, Forfeitures, and Penalties	1,738	3,019	1,856	1,940	1,619
Charges for Services	10,873	10,676	11,621	12,995	14,629
Other Revenues	1,939	1,623	4,258	2,168	1,849
Total Revenues	<u>\$ 177,724</u>	<u>\$ 187,069</u>	<u>\$ 196,764</u>	<u>\$ 202,835</u>	<u>\$ 215,207</u>
Expenditures					
Current:					
General Government	\$ 12,786	\$ 13,624	\$ 13,854	\$ 15,524	\$ 15,554
Public Protection	44,681	47,135	50,825	55,365	56,020
Public Ways and Facilities	12,999	14,118	20,052	17,025	14,978
Health and Sanitation	29,080	28,563	32,915	32,859	36,814
Public Assistance	52,733	56,487	57,052	63,626	65,624
Education	1,997	2,459	2,765	2,998	3,409
Recreation and Culture	386	421	521	551	462
Debt Service:					
Principal	5,422	4,765	4,986	5,214	5,470
Interest	5,686	5,073	4,821	4,602	4,376
Capital Outlay	1,045	1,018	2,234	1,029	3,706
Total Expenditures:	<u>166,815</u>	<u>173,663</u>	<u>190,025</u>	<u>198,793</u>	<u>206,413</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 10,909</u>	<u>\$ 13,406</u>	<u>\$ 6,739</u>	<u>\$ 4,042</u>	<u>\$ 8,794</u>
Other Financing Sources (Uses)					
Debt issued	-	-	-	-	-
Transfers In	\$ 15,699	\$ 16,454	\$ 16,190	\$ 17,305	\$ 21,279
Transfers Out	(15,896)	(16,696)	(16,618)	(18,310)	(21,235)
Issuance of Refunding Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (197)</u>	<u>\$ (242)</u>	<u>\$ (428)</u>	<u>\$ (1,005)</u>	<u>\$ 44</u>
Extraordinary Item					
RDA Dissolution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes in Fund Balances	<u>\$ 10,712</u>	<u>\$ 13,164</u>	<u>\$ 6,311</u>	<u>\$ 3,037</u>	<u>\$ 8,838</u>
Debt Service as a Percentage of Noncapital Expenditures	6.70%	5.70%	5.22%	4.96%	4.86%

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,				
	2018	2019	2020	2021	2022
Revenues					
Taxes	\$ 75,677	\$ 87,460	\$ 87,255	\$ 101,433	\$ 102,260
Licenses, Permits, and Franchises	4,361	4,963	5,270	5,477	4,772
Intergovernmental	126,097	141,152	153,219	173,640	187,488
Revenue from Use of Money and Property	1,218	1,505	2,824	592	(2,297)
Fines, Forfeitures, and Penalties	1,475	1,517	1,413	978	1,776
Charges for Services	15,138	19,408	14,366	16,428	16,626
Other Revenues	2,071	2,347	24,788	2,375	2,330
Total Revenues	<u>\$ 226,037</u>	<u>\$ 258,353</u>	<u>\$ 289,135</u>	<u>\$ 300,924</u>	<u>\$ 312,956</u>
Expenditures					
Current:					
General Government	\$ 15,732	\$ 16,793	\$ 17,206	\$ 19,034	\$ 23,080
Public Protection	62,481	64,257	68,314	75,440	84,619
Public Ways and Facilities	15,349	20,239	20,826	21,857	23,435
Health and Sanitation	48,410	52,052	55,034	67,956	60,709
Public Assistance	68,936	68,425	71,621	74,985	80,420
Education	3,523	3,965	3,753	3,549	4,046
Recreation and Culture	405	468	470	541	564
Debt Service:					
Principal	5,745	6,035	6,345	6,670	7,277
Interest	4,218	4,008	3,626	3,081	2,636
Capital Outlay	5,297	2,848	4,866	20,097	5,468
Total Expenditures	<u>230,096</u>	<u>239,092</u>	<u>252,062</u>	<u>293,210</u>	<u>292,254</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ (4,059)</u>	<u>\$ 19,262</u>	<u>\$ 37,073</u>	<u>\$ 7,714</u>	<u>\$ 20,701</u>
Other Financing Sources (Uses)					
Transfers In	\$ 20,186	\$ 19,050	\$ 21,272	\$ 54,432	\$ 50,388
Transfers Out	(20,036)	(19,585)	(25,188)	(56,432)	(54,068)
Issuance of Refunding Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 150</u>	<u>\$ (535)</u>	<u>\$ (3,916)</u>	<u>\$ (2,000)</u>	<u>\$ (3,680)</u>
Extraordinary Item					
RDA Dissolution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Changes in Fund Balances	<u>\$ (3,909)</u>	<u>\$ 18,726</u>	<u>\$ 33,156</u>	<u>\$ 5,714</u>	<u>\$ 17,021</u>
Debt Service as a Percentage of Noncapital Expenditures	4.43%	4.25%	4.03%	3.64%	3.56%

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

Fiscal Year	Secured Roll [1]	Unsecured Roll [2]	Exempt [3]	Assessed Valuations	Direct Tax Rate
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
2022	13,102,227	391,807	(542,795)	12,951,239	1.00

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are assess by the State Board of Equalization.
2. Unsecured property is generally personal property, including machinery, equipment, office tools, supplies, mobile homes, vessels, and aircraft.
3. Exempt properties include numerous full and partial exclusions/exemptions provided.
4. Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value. Additionally, Proposition 13 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	Unified School Districts [1]	Junior College Districts [2]	Special Districts [3]	Incorporated Cities	Total
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
2022	1.0000	0.3950	0.9290	0.0680	0.0130	-	2.4050

Notes:

1. Aggregate bond rate % for: Ukiah (.190), Laytonville (.139), Mendocino (.181), Willits (.064), Fort Bragg (.114), Anderson Valley (.007), Southern Humboldt (.075), Round Valley (.108), Potter Valley Community (.038), and Arena (Elementary School) (.013).
2. Aggregate bond rate % for: Redwoods Junior College (.010), Sonoma County Junior College, 2002 (.013) Sonoma County Junior College, 2014 (.024), and Mendocino-Lake Community College (.021).
3. Bond rate % for: Mendocino Coast Hospital (.013).

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, 2022	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Company	Utility	\$ 4,441,726	2.74 %
Mendocino Forest Products Co LLC	Mfg./Sawmill	1,695,741	1.05
Waterfowl Wine Company Inc	Vineyard/Winery	1,312,848	0.81
Vintage Wine Estates Inc	Vineyard/Winery	796,052	0.49
Pacific Bell Telephone Company	Communications	786,526	0.49
V C T USA Inc	Vineyard/Winery	753,360	0.47
Fetzer Vineyards Inc	Vineyard/Winery	640,141	0.40
COSTCO Wholesale Corporation	Retail Sales	547,281	0.34
Mendocino Redwood Company	Timberland	501,621	0.31
Mendocino Hotels LLC	Hospitality	288,484	0.18
Total Principal Property Taxpayers		11,763,780	7.27 %
All Other Taxes Levied		150,077,448	92.73 %
TOTAL		\$ 161,841,228	100.00 %

Fiscal Year Ended June 30, 2013	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	\$ 2,176,126	1.88 %
Mendocino Forest Products, Inc.	Mfg./Sawmill	570,909	0.49
VCT USA, Inc. (Fetzer)	Vineyard/Winery	568,045	0.49
Mendocino Redwood Co., LLC	Mfg./Sawmill	443,797	0.38
Pacific Bell Telephone Co.	Communications	377,139	0.33
Georgia Pacific Corp.	Industrial Site	348,316	0.30
Heritage Wine, LLC	Vineyard/Winery	262,845	0.23
Hawthorne Timber Co.	Timberland	224,978	0.19
Pear Orchard Associates	Shopping Center	204,287	0.18
Safeway, Inc.	Grocery	172,641	0.15
Total Principal Property Taxpayers		5,349,083	4.62 %
All Other Taxes Levied		110,471,667	95.38 %
TOTAL		\$ 115,820,750	100.00 %

Notes: 1. All other taxes levied includes bond tax, direct tax

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 and Unsecured Tax Levies	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [3]	Delinquent Amount	% of Levy Delinquent
		Collected Amount	% of Original Levy			
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*	129,234	124,919	96.66	<i>nda</i>	4,315	3.34
2022	132,910	127,892	96.22	<i>nda</i>	5,018	3.78

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.

* CORRECTION: 2021 Tax Levies and Collected Amount were corrected, due to prior year reporting error.

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,				
	2013	2014	2015	2016	2017
Motor Vehicle and Parts Dealers	\$ 125,117	\$ 136,193	\$ 149,385	\$ 170,993	\$ 181,773
Home Furnishings and Appliance Stores	26,922	29,000	29,602	30,461	27,913
Building/Garden Material and Equipment	138,031	142,562	151,499	169,373	176,471
Food and Beverage Stores	109,465	107,522	109,872	113,917	115,181
Gasoline Stations	209,704	211,714	196,341	167,570	169,709
Clothing and Clothing Accessories Stores	31,652	33,875	36,104	38,214	39,382
General Merchandise Stores	81,096	80,647	82,826	87,482	86,588
Food Services and Drinking Places	108,296	116,533	127,399	139,064	144,571
Other Retail	123,091	128,269	132,419	139,921	146,801
Total Retail and Food Services	953,373	986,313	1,015,446	1,056,995	1,088,387
All Other Outlets	307,093	332,657	340,664	346,703	348,929
Totals	<u>\$ 1,260,466</u>	<u>\$ 1,318,970</u>	<u>\$ 1,356,110</u>	<u>\$ 1,403,698</u>	<u>\$ 1,437,316</u>

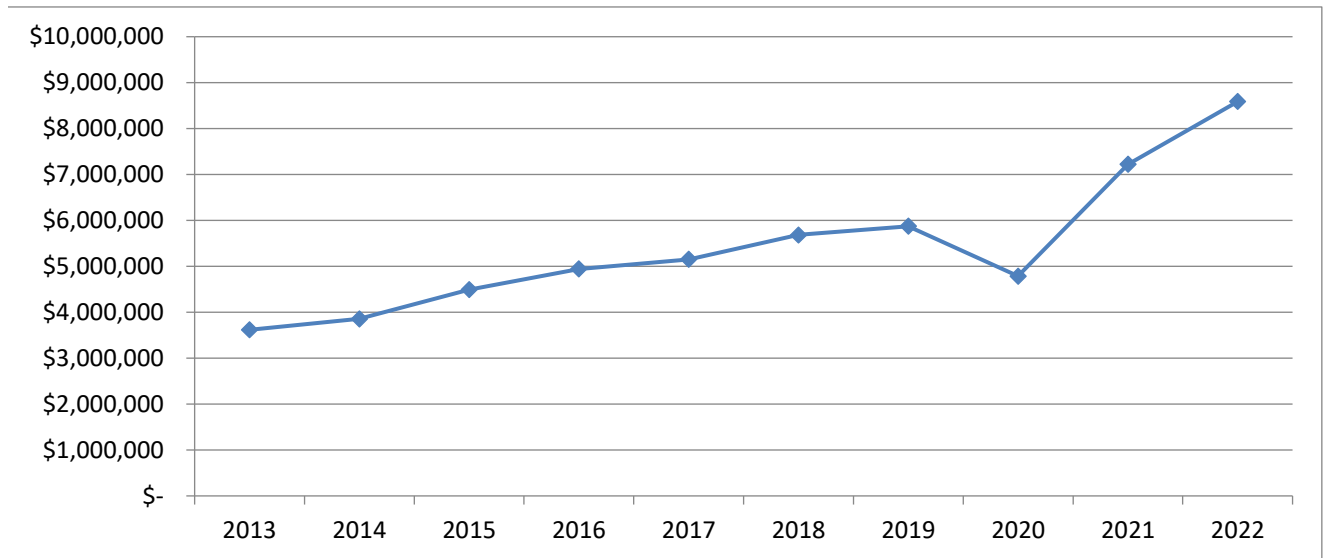
Type of Business	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Motor Vehicle and Parts Dealers	\$ 183,042	\$ 180,355	\$ 206,502	\$ 245,473	\$ 216,595
Home Furnishings and Appliance Stores	27,654	26,134	26,901	35,418	32,183
Building/Garden Material and Equipment	168,996	174,335	208,847	254,826	195,719
Food and Beverage Stores	119,226	112,069	117,617	134,755	133,876
Gasoline Stations	202,565	203,166	182,512	209,082	263,209
Clothing and Clothing Accessories Stores	38,742	40,859	36,727	49,211	51,428
General Merchandise Stores	87,186	145,673	159,642	179,132	182,592
Food Services and Drinking Places	143,818	145,768	125,873	138,571	162,838
Other Retail	148,291	161,435	205,460	281,913	243,767
Total Retail and Food Services	1,119,521	1,189,794	1,270,080	1,528,382	1,482,207
All Other Outlets	347,423	336,996	355,165	457,692	442,254
Totals	<u>\$ 1,466,944</u>	<u>\$ 1,526,790</u>	<u>\$ 1,625,245</u>	<u>\$ 1,986,074</u>	<u>\$ 1,924,461</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 2011-2015 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
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
2022	8,585,364	18.91



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	Lease Obligations	Long- Term Loans			
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	1.47
2020	15,940	45,095	-	-	61,035	709	1.29
2021	14,710	39,655	-	-	54,365	595	1.06
2022	13,430	33,915	5,143	-	52,488	575	1.03

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 2021 demographics, published in November of 2022.

Source: Mendocino County Auditor-Controller

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

Fiscal Year	Assessed Valuation	Legal Debt Limit [1]	Net Debt Applicable to Exemptions [2]	Legal Debt Margin [3]	Legal Debt Margin/ Debt Limit
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
2022	12,951,239	161,890	-	161,890	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, 2022**

2021-22 Assessed Valuation (includes unitary utility valuation)	\$ 12,951,238,886		County's Share
	Total Debt at	Percentage	of Debt at
<u>DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT</u>	<u>June 30, 2022</u>	<u>Applicable</u>	<u>June 30, 2022</u>
Mendocino County Certificates of Participation	\$ 13,430,000	100.000	\$ 13,430,000
Mendocino County Pension Obligation Bonds	33,915,000	100.000	33,915,000
Mendocino County Lease Obligations	5,143,317	100.000	<u>5,143,317</u>
TOTAL DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT			<u>52,488,317</u>
 <u>DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT</u>			
Anderson Valley Unified School District	6,208,077	100.000	6,208,077
Arena Union School District	999,062	100.000	999,062
Fort Bragg Unified School District	38,821,007	100.000	38,821,007
Laytonville Unified School District	7,055,000	100.000	7,055,000
Mendocino Coast Hospital District	4,002,424	100.000	4,002,424
Mendocino Lake Community College District	83,762,816	66.920	56,054,077
Mendocino Unified School District	38,401,649	100.000	38,401,649
Point Arena Joint Union High School District	-	59.350	-
Potter Valley Unified School District	2,685,000	100.000	2,685,000
Redwoods Joint Community College District	22,115,000	13.660	3,020,909
Round Valley Unified School District	8,074,383	100.000	8,074,383
Sonoma County Joint Community College District 2002	120,370,000	1.120	1,348,144
Sonoma County Joint Community College District 2014	204,520,000	1.120	2,290,624
Southern Humboldt Unified School District	20,137,855	2.160	434,978
Ukiah Unified School District	61,214,633	100.000	61,214,633
Willits Unified School District	13,982,054	100.000	<u>13,982,054</u>
TOTAL DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			244,592,021
TOTAL DIRECT DEBT			52,488,317
TOTAL OVERLAPPING DEBT			244,592,021
COMBINED TOTAL DEBT			<u>\$ 297,080,338</u>

RATIOS of 2021-22 ASSESSED VALUATIONS

Total Direct Debt (\$47,345,000)	0.405%
Total Overlapping Tax and Assessment Debt	1.889%
Total Combined Debt	2.294%

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 financed purchase 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>
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	4.0
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	91,305	56,047	5,117,411	43.4	12,881	6.2
2022	--	--	--	--	12,818	--

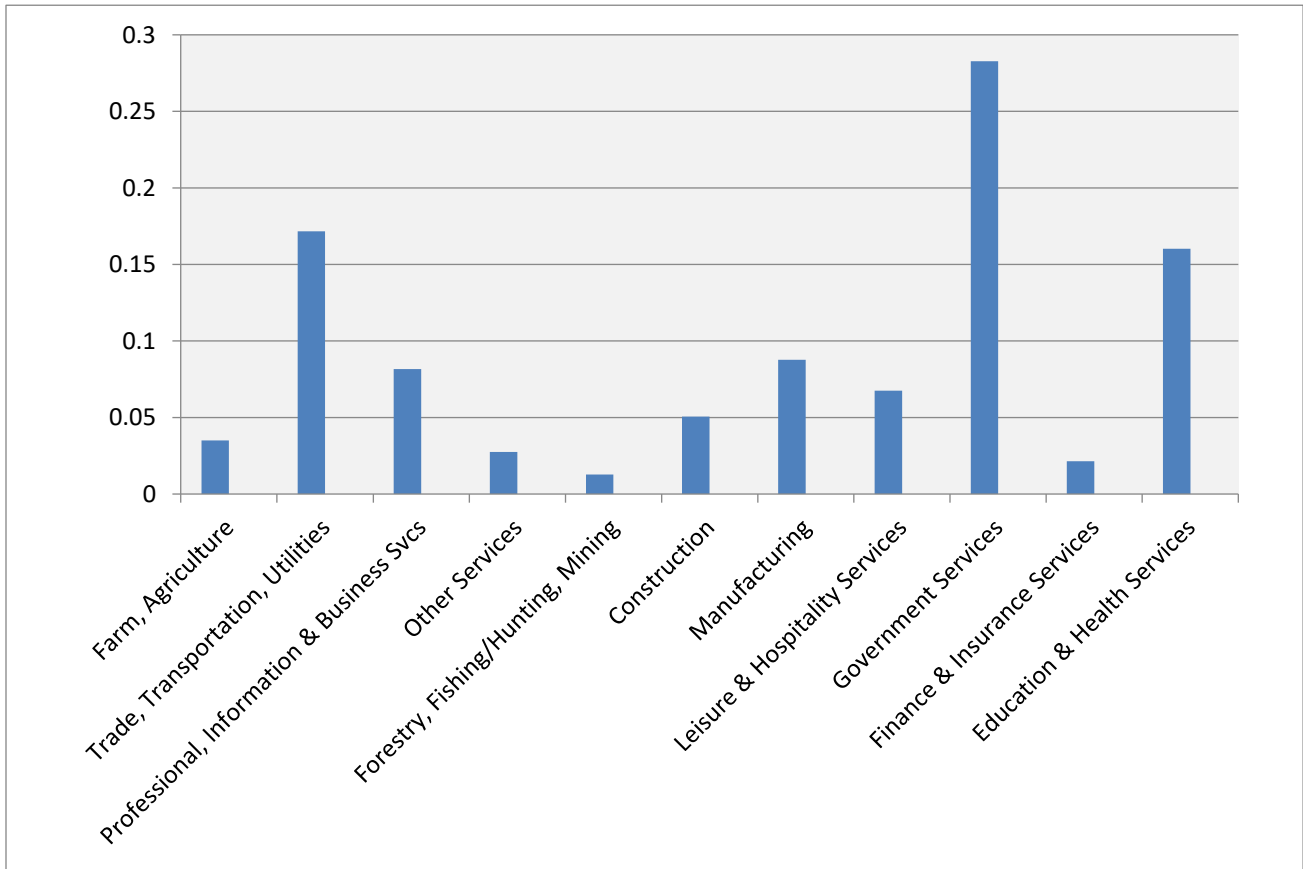
Note: -- Current Calendar Year data not yet available.

Source:

- 1 Bureau of Economic Analysis. Last updated: November 16, 2022-- new statistics for 2021.
- 2 California Employment Development Department; Labor Market Info Division; 2016-2020 American Community Survey 5-Year Estimates; Geographic Area: Mendocino County.
- 3 California Department of Education, Demographics, Dataquest, County, Enrollment Data, FY 2021-22.
- 4 California Employment Development Department, Labor Market Info Division; Report 400C, Monthly Labor Force Data for Counties, Annual Average 2021 - Revised (March 25, 2022. March 2021 Benchmark).

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

Industry Employment Distribution	Compensation	Percent
Farm, Agriculture	\$ 75,798	3.6 %
Trade, Transportation, Utilities	384,960	18.4
Professional, Information & Business Svcs	190,371	9.1
Other Services	58,639	2.8
Forestry, Fishing/Hunting, Mining	27,287	1.3
Construction	101,816	4.9
Manufacturing	187,990	9.0
Leisure & Hospitality Services	135,849	6.5
Government Services	545,959	26.1
Finance & Insurance Services	41,985	2.0
Education & Health Services	338,295	16.2
	\$ 2,088,949	100.0 %



Source: Bureau of Economic Analysis, 2021 data published November 16, 2022.

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

2022 Principal Employers	Location	Industry
Adventist Health Howard Memorial	Willits	Hospitals
Adventist Health Mendocino Coast	Fort Bragg	Hospitals
Adventist Health Ukiah Valley	Ukiah	Hospitals & Outpatient Services
California Department-Forestry	Willits	Fire Departments
City of Ukiah	Ukiah	City Services
Costco Wholesale	Ukiah	Wholesale Clubs
Coyote Valley Casino	Redwood Valley	Casinos
Dharma Realm Buddhist Assn	Ukiah	Associations
Fetzer Vineyards	Hopland	Wineries (mfrs)
Mendocino Community Health	Ukiah	Clinics
Mendocino County	Ukiah/Willits/Fort Bragg/Point Arena	Government Offices-County
Mendocino County Office of Education	Ukiah	Boards of Education
Mendocino Lake Community College	Ukiah	Education
Mendocino Redwood Co LLC	Calpella	Restaurants
Pacific Medical Resources	Fort Bragg	Nursing Services
Safeway	Fort Bragg	Grocers-Retail
Sawmill	Ukiah	Sawmills & Planing Mills (mfrs)
Ukiah High School	Ukiah	Schools
Walmart	Ukiah	Department Stores

2013 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
Dharma Realm Buddhist Assn	Ukiah	Associations
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 County	Ukiah/Willits/Fort Bragg/Point Arena	Government Offices-County
Mendocino County Office of Education	Ukiah	Boards of Education
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 1st Edition*.

**Employer information is provided by Data Axel, Omaha, NE, 800/555-5211. © 2022. All rights reserved.*

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL										
General Government	140.60	143.10	132.50	134.50	135.50	144.50	145.50	148.50	148.50	157.50
Public Protection	435.80	439.80	440.80	449.80	454.80	462.80	465.80	465.30	464.00	483.00
Public Ways and Facilities	127.10	127.10	126.60	125.60	124.60	127.60	127.60	126.60	126.60	132.60
Health and Sanitation	264.90	251.10	222.20	213.20	208.20	195.80	191.80	193.80	194.05	202.05
Public Assistance	423.00	426.00	423.00	420.00	420.00	421.00	426.00	427.00	426.00	419.00
Recreation and Education	35.55	38.55	40.05	40.05	40.05	44.05	41.05	41.05	44.50	43.50
Total Governmental	<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>	<u>1,437.65</u>
SPECIAL DISTRICTS										
Water Resource Agency	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00
Air Quality Mgmt District	8.00	8.00	8.00	9.00	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>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
TOTAL All Positions	<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>	<u><u>1,446.65</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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL GOVERNMENT										
Assessor (BU 1120)										
Deeds Processed	4,143	3,799	4,074	4,089	4,124	4,046	3,781	3,726	3,973	4,030
Appraisals Completed	14,319	13,183	12,580	13,611	13,630	13,023	12,449	7,977	12,212	8,006
Elections (BU 1410)										
Registration Cards Processed	7,921	5,012	5,295	17,575	11,078	8,689	22,195	28,249	27,561	17,371
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	27,410	28,037	26,176	23,808	24,317	22,184	25,331	24,103	26,623	22,557
Marriage Licenses Issued	513	593	507	588	548	489	554	404	260	419
Fictitious Business Names Filed	831	862	893	903	912	806	894	651	676	624
PUBLIC PROTECTION										
District Attorney (BU 2070)										
Sentences to State Prison	130	97	148	141	151	128	124	114	81	199
Realignment County Prison [1]	65	72	95	99	77	64	43	48	32	66
Public Defender (BU 2080)										
New Cases	5,401	5,461	4,941	4,417	5,060	5,391	5,819	5,546	4,637	4,801
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	4,615	4,421	4,200	4,003	3,882	3,838	3,799	3,474	3,205	3,008
TOTAL Collections	\$6.25M	\$5.86M	\$5.78M	\$5.63M	\$5.54M	\$5.64M	\$5.73M	\$5.66M	\$6.45M	\$5.6M
Cases with Support Order	93%	94%	94%	94%	94%	93%	93%	93%	94%	93%
Collections w/Monthly Supp Obligation	66%	67%	68%	68%	68%	67%	68%	69%	69%	63%
Cases w/Collections on Past Due	65%	65%	66%	67%	69%	68%	69%	74%	73%	67%
Sheriff (BU 2310)										
Number of Arrests	2,447	2,259	2,011	2,255	2,157	2,412	1,931	2,114	1,377	1,291
Coroner Case Load	301	344	323	327	359	259	341	299	482	441
Call for Service	38,378	40,023	38,776	45,028	47,005	48,222	43,289	38,382	40,543	39,062
Adult Corrections (BU 2510)										
Prisoners Booked	5,765	5,597	5,056	4,989	4,007	7,505	4,831	3,728	3,672	3,969
Average Daily Population	266	292	301	305	304	303	286	258	239	285
Juvenile Hall (BU 2550) [2]										
Juvenile Hall Bookings	403	267	296	273	303	311	201	119	67	cal yr
Juvenile Hall AVG Daily Population [3]	21	11	14	22	20	16	13	8	6	cal yr

Notes:

1. Prison commitments served in County jail due to realignment statutes, effective October 1, 2011.
2. 2020 & 2021 were significantly impacted by COVID. Due to the continuation of the pandemic, it will likely impact the following year as well.
3. 2015-2017 includes juveniles housed as part of a contract with Lake County.

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

nda - No data available

Source: County Departments

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

OPERATION INDICATORS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PUBLIC PROTECTION (CONTINUED)										
Probation (BU 2560)										
Adult Reports	374	475	571	613	568	524	536	445	563	cal yr
Juvenile Reports	367	280	229	196	127	184	195	142	149	cal yr
Adult Supervision Cases Received-all types	nda	377	449	468	489	494	361	315	318	cal yr
Juvenile Supervision Cases Received-all types	nda	62	99	72	70	79	40	48	29	cal yr
Planning and Building (BU 2851)										
Planning Applications	541	644	765	833	1,448	415	522	661	632	300
Building and Grading Permits	1,806	1,772	1,880	2,020	2,376	2,260	2,938	3,960	4,264	4,175
Building Inspections	8,086	7,282	6,292	5,633	6,389	7,030	9,857	8,757	9,699	9,952
PUBLIC WAYS AND FACILITIES										
Public Works (BU 3010)										
Road Miles Maintained	1,014	1,014	1,015	1,015	1,016	1,017	1,017	1,017	1,018	cal yr
Bridges Maintained	152	156	157	157	157	157	157	157	157	157
Miles of Asphalt Overlay	3	0	4	14	14	0	0	0	0	2
Miles of Chip Seal Completed	8	52	9	11	0	8	8	16	22	13
Encroachment Permits Issued	136	120	134	148	133	152	162	145	151	cal yr
Transportation Permits Issued	214	200	269	219	207	255	298	236	212	cal yr
HEALTH AND SANITATION										
Animal Care and Control (BU 2860)										
Adoptions, Cat	184	238	390	390	364	355	312	315	264	275
Adoptions, Dog	560	518	472	477	454	401	385	345	238	229
Spays and Neuters	1,329	1,304	1,343	1,295	1,398	1,339	1,470	1,282	1,046	812
Licenses Sold	11,543	11,466	10,246	10,309	10,128	10,199	10,729	10,609	10,140	10,881
Animal Complaint Cases	311	325	308	281	316	292	153	267	231	159
Calls for Service	2,628	3,092	2,902	2,815	3,445	3,319	3,989	3,441	2,209	3,102
Bite-related Calls for Service	177	162	208	188	189	189	175	187	142	189
Citations	57	82	23	11	21	61	18	8	10	44
Environmental Health (BU 4011)										
Well Permits Issued	165	248	225	204	224	183	156	240	410	153
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	297	221	262	241	240	226	168	110	78	91
Emergency Medical Services (BU 4016)										
Service Calls	6,463	7,489	8,031	8,441	8,934	9,093	13,660	14,037	12,186	11,947

Notes:

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
HEALTH AND SANITATION (CONTINUED)										
Mental Health (BU 4050)										
AVG Days, Request to Assessment [1]	13	10	8	9	6	6	6	4	5	cal yr
PUBLIC ASSISTANCE										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse	812	902	912	935	929	840	817	669	1,023	cal yr
In-Home Supportive Services Caseload	1,732	1,729	1,759	1,708	1,733	1,788	1,760	1,759	1,762	cal yr
Aid to Indigents (BU 5190)										
Regular General Assistance	916	756	576	587	565	524	490	108	369	cal yr
CalWORKs (BU 5130)										
Welfare to Work Participants	1,209	1,284	1,215	1,032	887	912	942	917	867	cal yr
Out-of-Home Care, AVG Monthly Case-load (BU 5010)										
Foster Care Ongoing	249	284	272	293	278	271	388	255	281	cal yr
Court Dependent Children	249	284	272	293	278	271	374	255	281	cal yr
Aid to Adoptions	340	340	340	340	340	352	392	392	388	cal yr
Military and Veterans Affairs Caseload Items (BU 5010)										
Claims Filed	894	1,181	1,456	917	902	760	1,318	1,280	704	cal yr
Veterans Transported to VA Medical	nda	nda	nda	nda	nda	nda	nda	nda	nda	nda
Social Services (BU 5010)										
CalFresh	10,470	10,537	10,443	9,981	9,681	11,162	11,564	11,683	13,563	cal yr
Medi-Cal	17,037	19,615	22,217	24,202	23,784	34,894	33,554	33,746	35,545	cal yr
EDUCATION										
Library (BU 6110)										
Customers Visiting Library [2]	431,966	484,180	455,907	458,529	460,870	444,806	451,329	294,599	27,971	184,169
Library Program Participants [3]	11,190	10,534	15,483	22,916	29,856	31,139	28,160	22,175	25,444	24,919
Total Checkouts - items with a limited loan period	496,579	558,955	559,428	581,786	601,833	597,837	643,797	558,288	317,431	511,734

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.
 2. All library statistics decreased FY 2020- 2021 due to COVID; in 2022, visitations are beginning to recover.
 3. In-person and online/digital total.
- 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EDUCATION										
Branch Libraries [1]	5	5	5	5	5	5	5	5	5	6
Bookmobiles [2]	1	1	1	1	1	1	1	1	1	2
HEALTH/PUBLIC ASSISTANCE										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	30	31	29	33	45	52	52	52	56	54
FACILITIES, RECREATION & CULTURAL										
Buildings [3]	98	98	98	98	98	98	98	101	103	104
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	nda	nda	nda	nda	nda	nda	nda	nda	nda	nda
SHERIFF										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	45	44	46	49	52	54	54	54	52	52

Notes:

1. New Laytonville Branch Library is being prepared to open.
 2. Bookmobile; new Outreach Van with items to check out added in FY 2022.
 3. 2021-22 Additions: Crisis Residential Treatment Center, Live Oak Apartments (transitional housing); 2021-22 Removal: Portable office building lost in structure fire.
- nda - No data available

Source: County Departments





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