



# COUNTY of MENDOCINO

State of California

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2023

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

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



– COVER PHOTO –  
*Testa Vineyards, Calpella, CA; photo by Megan Hunter*

# COUNTY OF MENDOCINO

STATE OF CALIFORNIA

## Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

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



**COUNTY OF MENDOCINO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

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**INTRODUCTORY SECTION**

---

Letter of Transmittal	11
Board of Supervisors and Supervisorial Districts	23
Principal County Officials	24
Organizational Chart	25

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**FINANCIAL SECTION**

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Independent Auditors' Report	29
Management's Discussion and Analysis	35
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	51
Statement of Activities	52
Fund Financial Statements	
Governmental Funds	
Balance Sheet	54
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities	57
Statement of Revenues, Expenditures, and Changes in Fund Balances	58
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	61
Proprietary Funds	
Statement of Net Position	62
Statement of Revenues, Expenses, and Changes in Net Position	63
Statement of Cash Flows	64
Fiduciary Funds	
Statement of Fiduciary Net Position	66
Statement of Changes in Fiduciary Net Position	67
Notes to Basic Financial Statements	71
Required Supplementary Information	
Schedule of the County's Proportionate Share of the Net Pension Liability	113
Schedule of the County's Contributions	113
Budgetary Comparison Schedules	
General Fund	114

**COUNTY OF MENDOCINO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

Miscellaneous Grants Fund	117
Mental Health Services Fund	118
Road Fund	119
Mental Health Treatment Fund	120
Cannabis Grants Fund	121
Disaster Recovery Fund	122
Notes to Required Supplementary Information	123
Supplementary Information	
Other Budgetary Schedules	
Debt Service Fund	129
Pension Obligation Bond Fund	130
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Description	135
Combining Balance Sheet	139
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	144
Budgetary Comparison Schedules	
Library Fund	149
Fish and Game Fund	150
Supplemental Law Enforcement Fund	151
COPS AB 1913 Fund	152
Sheriff Special Projects Fund	153
Recorder Modernization Fund	154
Micrographics Fund	155
Special Districts Lighting Fund	156
Opioid Settlement Fund	157
Special Districts Other Fund	158
Inter-governmental Transfers Fund	159
Whole Person Care Fund	160
Fire Fund	161
Enforcement - Cannabis Fund	162
Capital Projects Fund	163

**COUNTY OF MENDOCINO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

Internal Service Funds	
Description	167
Combining Statement of Net Position	169
Combining Statement of Revenues, Expenses, and Changes in Net Position	171
Combining Statement of Cash Flows	173
Investment Trust Funds	
Description	177
Combining Statement of Fiduciary Net Position – Investment Trust Funds	178
Combining Statement of Changes in Fiduciary Net Position – Investment Trust Funds	179
Private Purpose Trust Funds	
Description	183
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	184
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	185

---

**STATISTICAL SECTION**

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Narrative Summary	189
Government-Wide Net Position by Component	191
Changes in Net Position	192
Fund Balances, Governmental Funds	195
Changes in Fund Balances, Governmental Funds	196
Assessed Value of Taxable Property and Actual Value of Property	198
Property Tax Rate – Direct and Overlapping Governments	199
Principal Property Taxpayers	200
Property Tax Levies and Collections	201
General Governmental Tax Revenue by Source	202
Transient Occupancy Tax Actual Receipts	203
Ratios of Outstanding Debt by Type	204
Legal Debt Margin Information	205
Assessed Valuation	206
Demographic and Economic Indicators	207
Industry Employment Distribution	208
Principal Employers	209

**COUNTY OF MENDOCINO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

County Employees by Function/Program	210
Operating Indicators by Department/Function	211
Capital Asset Statistics by Department/Function	214





# INTRODUCTORY SECTION





*Hopland, CA; photo by Visit Mendocino*



# MENDOCINO COUNTY

Office of the Auditor-Controller/Treasurer-Tax Collector

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**SARA PIERCE**

ACTING AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

June 3, 2024

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, 2023. 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 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. The cost of internal control should not exceed anticipated benefits; therefore, 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, 2023. 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, no 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.



*Mendocino Village, Mendocino, CA; photo by Visit Mendocino*



*Chandelier Tree, Leggett, CA; photo by unknown author*

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. The unspoiled beauty and rural setting provide niche markets for microbreweries, artisans, cannabis, and other boutique industries.



**Farmers Market**  
photo by Zohar Zaied



**Cannabis**  
photo by unknow author

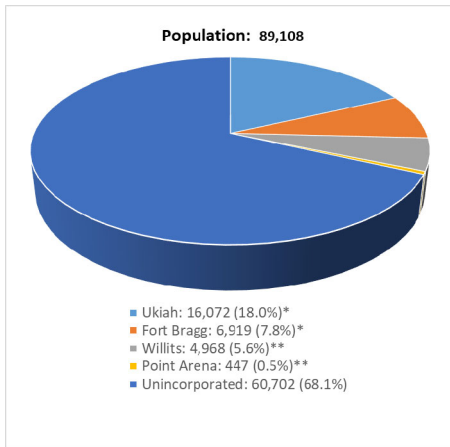


**Goldeneye Vineyard**  
photo by Visit Mendocino

## County Population

According to the United States Census Bureau's Population Estimates as of July 1, 2023, Mendocino County's population was 89,108, which was a decrease from the April 1, 2020 Census count of 91,601.

Mendocino County has four incorporated cities, Ukiah, Willits, Fort Bragg, and Point Arena. The City of Ukiah serves as the County seat and is the County's largest incorporated city. Roughly 68% of the population of Mendocino County lives outside of city limits.



■ Ukiah, CA



■ Willits, CA



■ Point Arena, CA



■ Fort Bragg, CA

Source:  
\*United State Census Bureau Population Estimate Jul 1, 2023  
\*\*Census Reporter website (Willits and Point Area are not found on the US Census Bureau website)

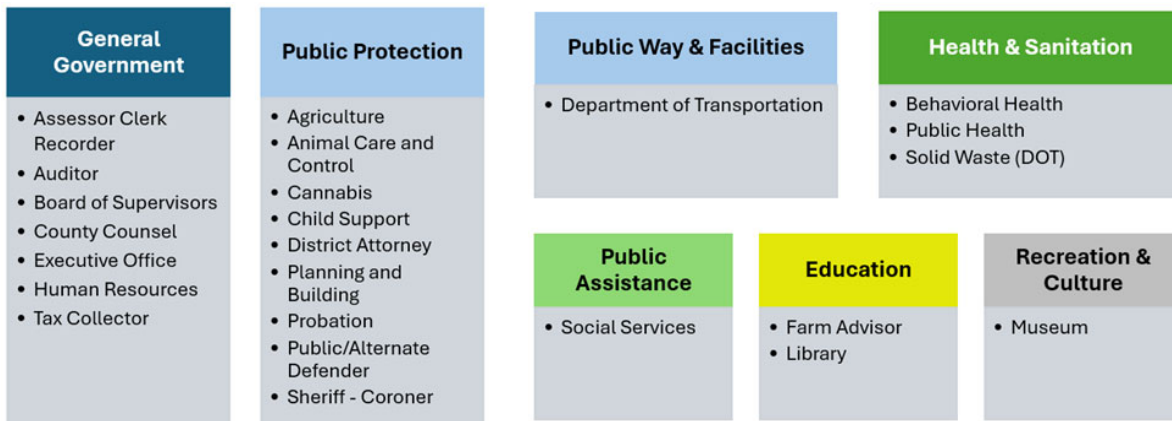
## County Structure

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 general government, public protection, public ways & facilities, health & sanitation, public assistance, education, and recreation & cultural services. The organizational chart for County Services can be located at the end of the introductory section.



### General Government:

The Ukiah Administration Center located at 501 Low Gap Road, is where the County’s general government services, listed above, are provided along with various internal support departments. Cannabis, Environmental Health, and Planning & Building Services, which are outside the general government services category, are also located within the Ukiah Administrative Center.



Mendocino County Administration Center, Ukiah, CA

### Public Protection:

The County categorizes public protection to not only include public safety, but to also include departments such as agriculture, cannabis, and child support.

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



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



*Mendocino County Sheriff's Offices, Fort Bragg, CA*

**Health & Sanitation:**

Mendocino County provides a full range of services at the Ukiah facility. Services include behavioral health, community wellness, emergency preparedness, nursing services, and substance use treatment.



*Mendocino County Public Health and Behavioral Health & Recovery Services, Ukiah, CA*

**Public Assistance:**

The County provides a full range of veterans' and social services, with facilities in Ukiah, Fort Bragg and Willits. Facilities in Willits and Fort Bragg will have limited services.

The County also participated in the State of California's Project Homekey which allowed for the purchase of and remodeling of the Ukiah Best Western Hotel to be converted into transitional and permanent housing. In April 2021, the facility opened up as the Live Oak Apartments. The mission of Live Oak Apartments is to provide safe and permanent housing for households experiencing homelessness or who are at-risk of homelessness.

**Public Ways & Facilities:**

Mendocino County Department of Transportation not only provides improvements to the County maintained road system but also oversees various other public ways & facilities including Round Valley Airport, River Airports, land improvement, and solid waste division and landfill closure.



*Mendocino County Department of Transportation, Ukiah, CA*

**Education, Recreation & Culture:**

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>



*Mendocino County Library, Ukiah, CA*

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 County 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

## **LOCAL ECONOMY**

### **Agribusiness**

Per the most recent Mendocino County Crop Report (2021), 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. <sup>[1]</sup> 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 2,310 jobs within the County.<sup>[2]</sup> 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 7<sup>th</sup> in the state timber volumes and produced roughly 4.8% of California's timber harvest in 2021. <sup>[1]</sup> Sustainable timber harvesting reduces wildfire risk and improves forest health and wildlife habitat.

### **Labor Force and Unemployment**

The labor force for Mendocino County in June of 2023 was 36,490 people, of which 1,660 were unemployed. Total labor force decreased by 800 people from the prior year, while the number of unemployed persons increased by 200. The unemployment rate in California was 4.9% as of June 2023, or 0.3% higher than the unemployment rate in Mendocino County. <sup>[2]</sup>

Sources:

1. Mendocino County Crop Report 2021 (consistently reported for 1-year prior to fiscal year report).
2. State of California Employment Development Department, LMI by Counties.

## Real Estate/Housing

The average median home price in Mendocino County declined 4.8% in FY 2023, from \$546,079 in the prior year to \$520,075, while the 12-month fiscal year average median price across California declined 2.5%, from \$821,765 to 801,383. [2]



photo by Zohar Zaied

The median home price has generally increased each year since April 2012. However, the current market decline is due to the post-pandemic market subsiding from the artificially high, FY 2021 COVID-induced inflation, combined with 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.

## **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**

The FY 2023-24 budget was built based on the County Board of Supervisors' identified goals and priorities related to the County's Strategic Plan developed in May 2022. This plan guides the critical decisions faced by the Board of Supervisors to improve the quality of life for county residents. Mendocino County's strategic plan comprises four priority areas:

- An effective county government organization
- A safe and healthy county
- A thriving economy
- A prepared and resilient county.

### **Adopted Budget**

The FY 2023-24 Adopted Budget includes:

- Continued support of the Grants Unit to leverage County dollars to focus on recovery and resiliency,
- Investment in County staff and support needed for key revenue recovery projects,
- Right sizing the county fleet and county buildings for current services and workforce,
- Prioritization of energy efficiency and carbon reduction projects to reduce ballooning utility expenses,
- Highlighting strategic collaborations to maximize economic development opportunities, and
- Sponsorship of improved county recruitment and retention practices.

In cooperation with our employees and each of our departments, the Board continuously strives to identify ways to deliver County services more efficiently and cost-effectively.

### **Appropriations**

The fiscal year 2023-24 Adopted Budget for all governmental funds authorized a \$402,216,815 spending level, which is an increase of \$45.3 million (12.7%) over the \$356,895,944 budgeted in fiscal year 2022-23 for all governmental funds.

The FY 2023-24 General Fund budget authorized spending of \$253,537,225, an increase of \$11.9 million (4.9%) over the prior year budget of \$241,661,849.

### **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 2023-24 appropriations for Capital Improvements and Projects are \$34,334,575. This amount is comprised of \$13,492,075 for Capital Improvements, \$18,242,500 for Capital Projects, and \$2,600,000 of construction in progress costs for Mental Health projects funded by the Mendocino County Mental Health Treatment Act.

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

## **RELEVANT FINANCIAL POLICIES**

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

**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.

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

**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.

**General Reserve and Contingencies:** The purpose of the County's general fund balance policy is to maintain a prudent level of financial resources to protect against having to reduce service levels and workforce reductions due to temporary revenue shortfalls or unpredicted one-time expenditures, and to maintain the County's credit rating (recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting)

**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.

**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.

## **ACKNOWLEDGEMENTS**

The preparation of this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, 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 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.

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

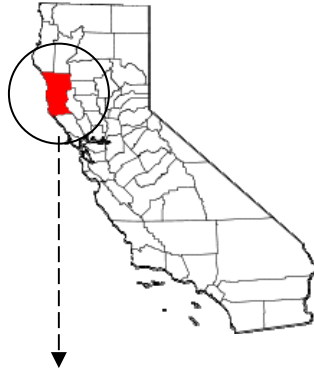
Respectfully Submitted:

A handwritten signature in blue ink that reads "Sara Pierce". The signature is written in a cursive style and is centered on the page.

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



**COUNTY OF MENDOCINO  
BOARD OF SUPERVISORS AND SUPERVISORIAL DISTRICTS  
JUNE 30, 2023**



**Glenn McGourty**  
District 1



**Mo Mulheren**  
District 2



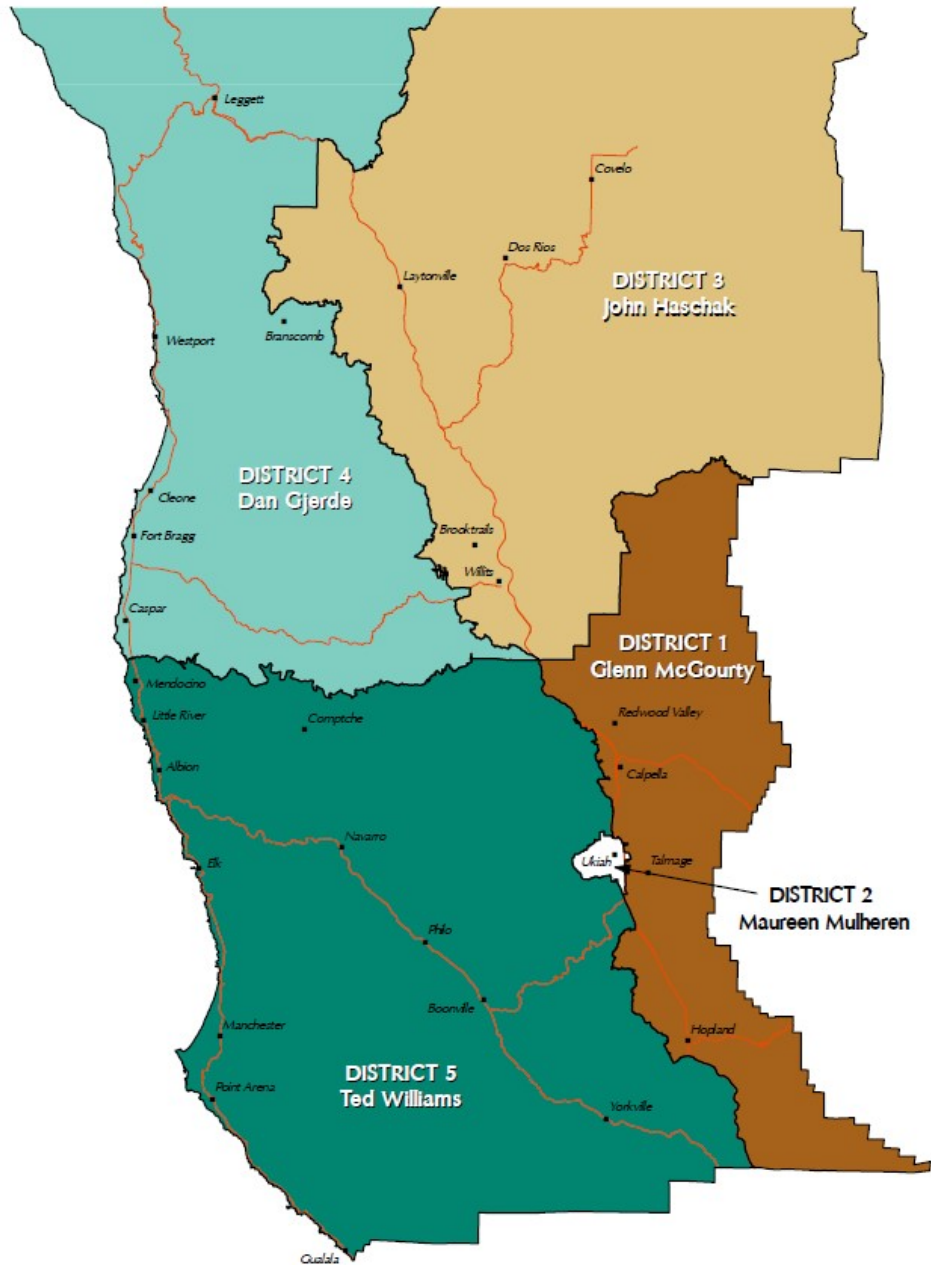
**John Haschak**  
District 3



**Dan Gjerde**  
District 4



**Ted Williams**  
District 5



**COUNTY OF MENDOCINO  
PRINCIPAL COUNTY OFFICIALS  
JUNE 30, 2023**

Elected Officials:

Legislative Branch/Board of Supervisors:

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

Executive Branch:

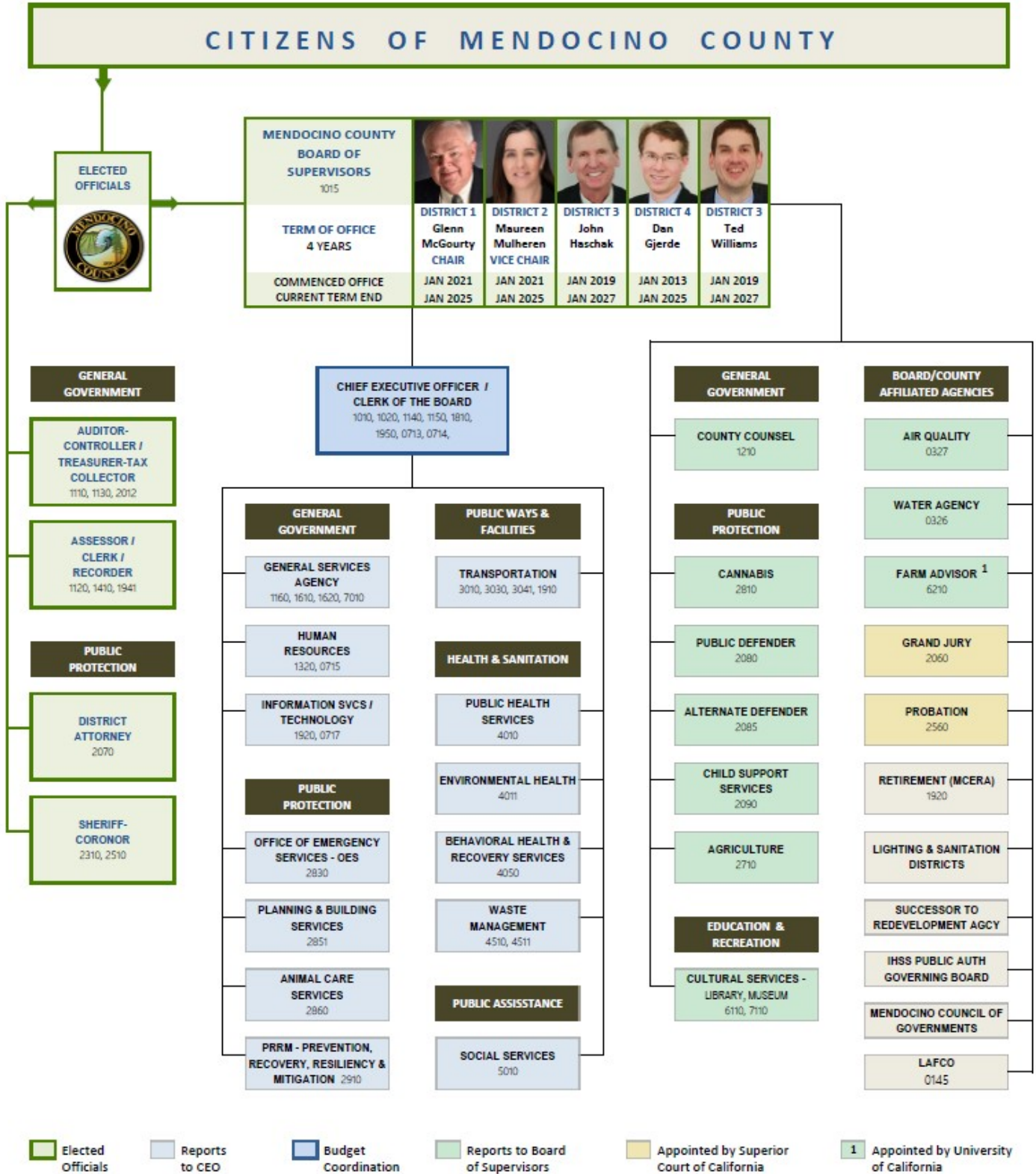
Assessor-County Clerk-Recorder .....Katrina Bartolomie  
Auditor-Controller/ Treasurer-Tax Collector..... Chamise Cubbison  
District Attorney ..... C. David Eyster  
Sheriff-Coroner ..... Matthew Kendall

Appointed Department Heads:

Agricultural Commissioner/Sealer .....vacant  
Air Quality Management District .....vacant  
Alternate Defender ..... Patricia Littlefield  
Animal Care Services Director .....Rich Molinari  
Behavioral Health & Recovery Svcs Director ..... Dr. Jenine Miller  
Chief Executive Officer .....Darcie Antle  
Chief Probation Officer ..... Izen Locatelli  
Child Support Services Director .....Robin Heller  
County Counsel .....Christian Curtis  
Cultural Services Director..... Deborah Fader Samson  
Farm Advisor [UCCE] .....John Harper  
Social Services Agency Director..... Bekkie Emery  
Public Health Director .....vacant  
Human Resources Director ..... vacant  
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, 2023



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





# FINANCIAL SECTION



– FINANCIAL SECTION PHOTO –  
*Lake Mendocino, Ukiah, CA; photo by Megan Hunter*



## 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, 2023, 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, 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 the financial statements of the Mendocino County Employees' Retirement Association (MCERA) which represents 63 percent of the assets, 5 percent of the revenues, and 64 percent of the net position/fund balance of the aggregate remaining fund information as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for 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 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***

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, effective July 1, 2022, the County adopted new accounting guidance for subscription-based information technology arrangements (SBITA). The guidance requires entities to recognize a right-to-use subscription asset and corresponding SBITA liability for all SBITAs with 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'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 the County'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 the County'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 and other auditors 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'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.

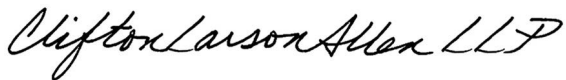
### ***Other Information***

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 June 3, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
June 3, 2024



## 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.



*Reeves Canyon, Redwood Valley, CA; photo by Megan Hunter*



**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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, 2023. 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 Government-Wide net position was \$119.2 million at June 30, 2023, an increase from prior year by \$30.6 million, or 34.6% increase
- The County's net position included
  - \$133.1 million net investment in capital assets
  - \$125.6 million in restricted net position
  - (\$139.5) in unrestricted net position
    - Beginning in FY 2015, Governmental Accounting Standards Board (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.
- The County's Governmental Funds reported a combined ending fund balance of \$182.5 million, an increase of \$28.2 million over prior year. Amounts available for spending included, nonspendable, restricted, assigned, and unassigned fund balance.
  - \$1.1 million is nonspendable
  - \$145.2 million is restricted
  - \$32.1 million is assigned to specific purposes determined by the Board of Supervisors
  - \$4.1 million is unassigned
- The General Fund unassigned fund balance was \$4.1 million, or 1.9% of total General Fund expenditures.
- The long-term debt increased by \$0.5 million during the fiscal year
  - Certificate of Participation (COPs) was \$22.4 million at June 30, 2023, an increase from prior year by \$8.9 million, or 66.6% increase
  - Pension Obligation Bonds (POBs) was \$27.9 million at June 30, 2023, a decrease from prior year by \$6.1 million, or 17.9% decrease
  - Lease Liabilities was \$4.9 million at June 30, 2023, a decrease from prior year by \$0.3 million, or 5.6% decrease
  - Subscription Based Information Technology Agreements (SBITAs) was \$2.5 million at June 30, 2023, a decrease from prior year by \$0.9 million, or 26.9% decrease
  - Compensated Absences was \$6.3 million at June 30, 2023, an increase from prior year by \$0.2 million, or 2.8% increase
  - Self-Insurance Liability was \$1.2 million at June 30, 2023, a decrease from prior year by \$2.0 million, or 62.9% decrease
  - Landfill Post Closure was \$10 million at June 30, 2023, an increase from prior year by \$0.7 million, or 7.6% increase

Additional information and analysis on the financial highlights following the sections and tables below.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**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, and is equivalent to a Balance Sheet in the private sector. 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).

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. 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 entities such as 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. Additionally, Mendocino County Employee Retirement Association (MCERA) activities are included in the Government-Wide financial statements. Financial information for these component units, except for 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.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**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 the funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds**

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

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

The County maintains 26 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 Miscellaneous Grants Fund, the Mental Health Services Fund, the Road Fund, the Mental Health Treatment Fund, the Cannabis Grants Fund, and the Disaster Recovery Fund. Data from the other 17 governmental funds are combined into a single, aggregated presentation called Other Governmental Funds. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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 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.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**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.

**Required Supplementary 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.

**Other Supplementary Information**

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



*Elk, CA; photos by Megan Miltimore*

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**The Statement of Net Position**

Assets and deferred outflows exceeded liabilities and deferred inflows by \$119.2 million at the close of the 2022-23 fiscal year. The total net position increased 34.6% in the current fiscal year. Changes in the net position are described below. Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

	Governmental Activities	
	2023	2022
<b>ASSETS</b>		
Current and Other Assets	\$ 247,078,278	\$ 219,662,822
Capital Assets	163,942,587	157,396,939
Total Assets	411,020,865	377,059,761
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 68,760,847	 35,355,971
<b>LIABILITIES</b>		
Other Liabilities	43,241,717	46,495,875
Long-Term Liabilities	316,369,561	190,832,562
Total Liabilities	359,611,278	237,328,437
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 1,012,094	 86,552,498
<b>NET POSITION</b>		
Net Investment in Capital Assets	133,071,382	137,807,394
Restricted	125,568,583	118,599,718
Unrestricted	(139,481,625)	(167,872,315)
Total Net Position	\$ 119,158,340	\$ 88,534,797

**Net Investment in Capital Assets**

The largest portion of the County's net position, \$133.1 million, 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.

**Restricted Net Position**

Another portion of the County's net position, \$125.6 million, 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.

**Unrestricted Net Position**

The County's unrestricted net position balance of (\$139.5) million 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, 2023**

**The Statement of Activities**

Governmental activities increased the County's net position by \$30.6 million during the current fiscal year.

	2023	2022
<b>REVENUES</b>		
Program Revenues:		
Fees, Fines, and Charges for Services	\$ 25,640,013	\$ 23,255,077
Operating Grants and Contributions	201,780,102	172,849,585
Capital Grants and Contributions	1,340,186	4,130,986
General Revenues		
Property Taxes	54,795,594	56,135,753
Sales and Use Taxes	30,336,543	32,852,722
Other Taxes	11,894,957	13,271,865
Unrestricted Interest and Investment Earnings	2,176,216	(2,453,241)
Miscellaneous	2,420,170	2,329,987
Total Revenues	330,383,781	302,372,734
 <b>EXPENSES</b>		
General Government	29,732,223	25,124,029
Public Protection	88,682,846	75,086,915
Public Ways and Facilities	17,601,339	19,245,929
Health and Sanitation	60,621,479	57,025,422
Public Assistance	95,078,794	75,685,559
Education	4,799,099	3,710,389
Recreation and Cultural Services	823,405	544,965
Interest on Long-Term Debt	2,421,053	2,454,071
Total Expenses	299,760,238	258,877,279
 <b>CHANGE IN NET POSITION</b>	 30,623,543	 43,495,455
Net Position - Beginning of Year, as Previously Stated	88,534,797	43,604,461
Prior Period Adjustment	-	1,434,881
Net Position - Beginning of Year, Restated	88,534,797	45,039,342
 <b>NET POSITION - END OF YEAR</b>	 \$ 119,158,340	 \$ 88,534,797

**Revenues**

Operating Revenues for the Governmental Activities increased 9.3% from the prior year amount of \$302.4 million to \$330.4 million. Revenues are divided into two categories: Program Revenue and General Revenues.

*Program Revenues:*

Program revenues increased \$28.5 million or 14.2% from prior year to \$228.8 million. Not only is the majority of program revenues derived from federal and state sources (categorized under Operating Grants and Contributions), but it is also the largest revenue stream in total.



**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

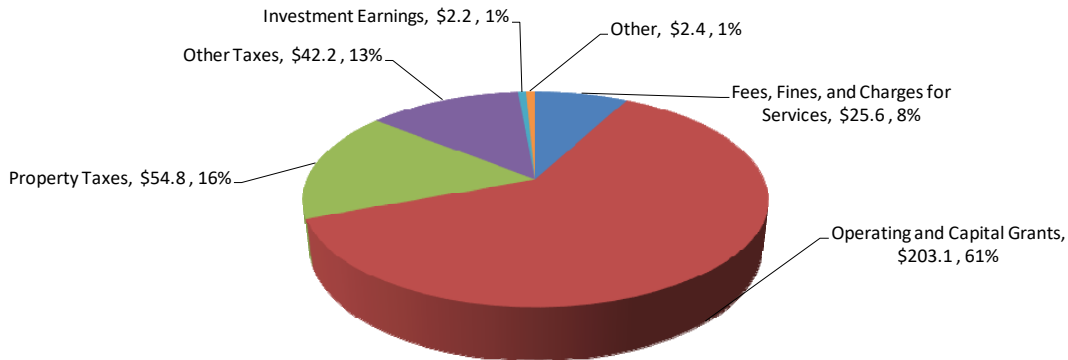
Significant changes from prior year are listed below:

- ❖ Fees, Fines, and Charges for Service: 10.3% increase
  - Largely due to review of master fee schedule
- ❖ Operating Grants and Contributions: 16.7% increase
  - Largely due to increase in grants received
- ❖ Capital Grants and Contribution: 67.6% decrease
  - Largely due to reduction in capital grants received

**General Revenues:**

General revenues had an overall decrease of \$.5 million, or 0.5% from prior year to \$101.6 million. General Revenues includes property tax revenue which is the second largest source of revenue for the County. It should be noted that of every \$1.00 collected in property tax approximately 63% benefits schools, with 30% goes towards the funding of County services and programs, Cities receive 2% and Special Districts receive 5%.

**Revenues by Source (in millions) - Governmental Activities**



**Expenses**

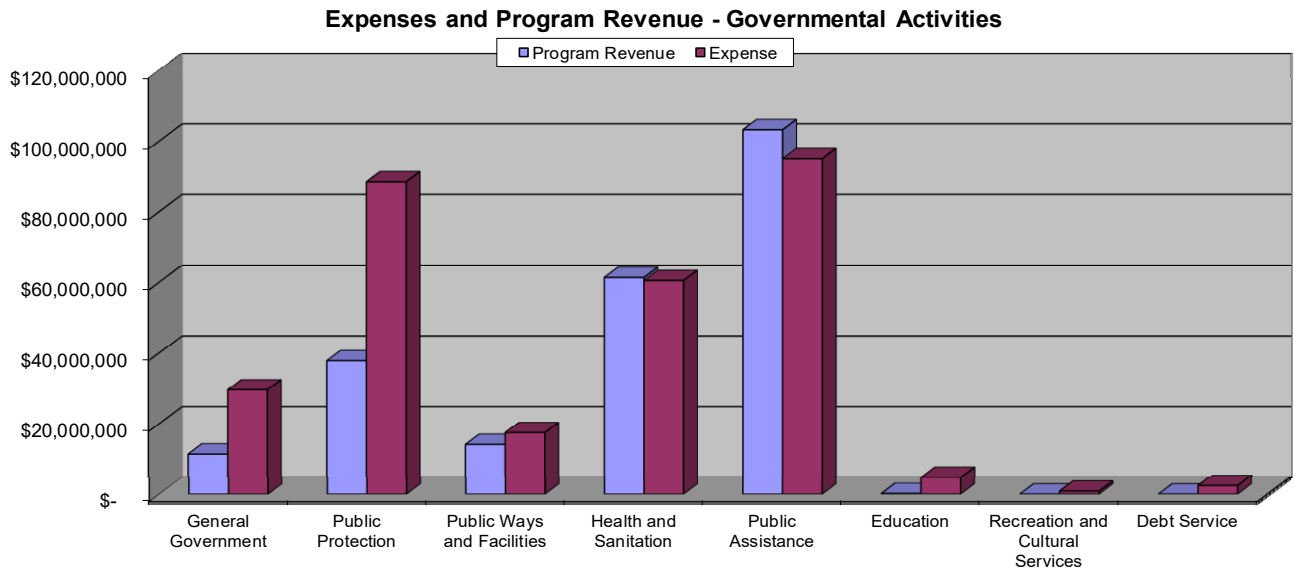
Expenses for the Governmental Activities increased 15.8% from the prior year amount of \$258.9 million to \$299.8 million.

- ❖ General Government: 18.3% increase
  - Largely due to salary increases and increase to County portion of healthcare costs. A small portion was to due increase in County Counsel professional services.
- ❖ Public Protection: 18.1% increase
  - Partly due to salary increases and increases to County portion of healthcare costs, but also partly was due to increase in equipment costs. The equipment costs were offset by American Rescue Plan Act (ARPA) funding for vehicles.
- ❖ Public Ways and Facilities: 8.5% decrease
  - Due to decrease in overall expenses.
- ❖ Health and Sanitation: 6.3% increase
  - Due to salary increases and increases to County portion of healthcare costs, along with increases to operating expenses.
- ❖ Public Assistance: 25.6% increase
  - Due to salary increases and increases to County portion of healthcare costs, along with increases to operating expenses.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- ❖ Education: 29.3% increase
  - Due to salary increases and increases to County portion of healthcare costs, along with increases to operating expenses.
- ❖ Recreation and Cultural Services: 51.1% increase
  - Due to salary increases and increases to County portion of healthcare costs, along with the creation of a new organization code to track expenses for Parks

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



**Expenses and Program Revenue**

Governmental Functions	Program Revenue	Expense
General Government	\$ 11,568,115	\$ 29,732,223
Public Protection	37,933,460	88,682,846
Public Ways and Facilities	14,267,113	17,601,339
Health and Sanitation	61,480,778	60,621,479
Public Assistance	103,336,762	95,078,794
Education	173,787	4,799,099
Recreation and Cultural Services	286	823,405
Debt Service	-	2,421,053
<b>Total Governmental Functions</b>	<b>228,760,301</b>	<b>\$ 299,760,238</b>
General Revenues (taxes, interest and investment earnings and miscellaneous)	<u>101,623,480</u>	
<b>Total Revenues</b>	<b><u>\$ 330,383,781</u></b>	

**BUSINESS-TYPE ACTIVITIES**

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

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**GOVERNMENTAL FUNDS ANALYSIS**

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 \$182.5 million, an increase of \$28.2 million from the prior year. The components of total fund balance are as follows:

- Nonspendable fund balance, \$1.1 million, 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, \$145.3 million, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation.
- Assigned fund balance, \$32.1 million, represents amounts that are intended for a specific purpose and are established by the Board of Supervisors, or an official body delegated by the Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.
- Unassigned fund balance, \$4.0 million, represents the General Fund's resources and Other Governmental Fund balances that are not classified in the three previous components and are considered available for spending at the government's discretion.

**General Fund**

The General Fund is only one component of the total Governmental Funds; however it is the **primary operating fund of the County**. At the end of the current fiscal year, the total fund balance was \$65.4 million, and represents an increase of \$2.8 million from prior fiscal year.

- ❖ Nonspendable fund balance was \$0.2 million
- ❖ Spendable fund balance, which is comprised of restricted, assigned, and unassigned balances, was \$65.2 million.
  - Restricted and Assigned: \$61.1 million
  - Unassigned: \$4.1 million

**Debt Service Fund**

The Debt Service fund had a total fund balance of \$12.2 million, all of which is restricted for the payment of debt service. The net increased in fund balance during the current year in the debt service fund was \$10.2 million.

**Pension Obligation Fund**

The Pension Obligation fund had a total fund balance of \$7.9 million, all of which is restricted for the payment of debt service. The fund balance decreased during the current year by \$0.1 million.

**Miscellaneous Grants Fund**

The Miscellaneous Grants fund is a newly created major governmental, due to the large increase in cash and fund balances in the current fiscal year. Previously included with the non-major governmental funds as part of Other Governmental Funds. The Miscellaneous Grants fund had a total fund balance of \$5.7 million. The fund balance increased during the current year by \$2 million.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Mental Health Services Fund**

The Mental Health Services fund had a total fund balance of \$7.3 million. The net decrease in fund balance during the current year was \$0.7 million, or 8.7%. The decrease was due to slightly less revenue received when compared to prior years.

**Roads Fund**

The Road fund had a total fund balance of \$9.9 million. The net increase for the year was \$1.2 million, or 13.9%. This increase was due to slightly greater revenue received than expenses.

**Mental Health Treatment Fund**

The Mental Health Treatment fund had a total fund balance of \$41.3 million, with a net increase of \$6.9 million, or 19.9%. 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.

**Cannabis Grants Fund**

The Cannabis Grants had a total fund balance of \$1.4 million, with a net decrease of \$0.4 million, or 20%, all of which is restricted for the purpose of funding special purpose cannabis programs.

**Disaster Recovery Fund**

This Disaster Recovery fund is a newly created major governmental fund, due to the large increase in cash and fund balances in the current fiscal year. Previously included with the non-major governmental funds as part of Other Governmental Funds. The Disaster Recovery fund had a total fund balance of \$8.3 million, all of which is restricted. The fund balance increase during the current year by \$1.1 million.

**Other Governmental Funds**

Nonmajor Governmental Funds captures Special Revenue Funds, Capital Projects, and Permanent Funds which do not qualify as major governmental funds. The Other Governmental funds had a total fund balance of \$22.8 million. The net decrease for the year was \$5.8 million, or 20.4%, and was due in part to the recategorization of Disaster Recovery and Miscellaneous Grants into the major fund group.

**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 \$11.9 million, an increase of \$5.1 million, or 75.2%, from prior year. The increase was mostly due to a \$4.5 million transfer into the Health Insurance fund from the Fiscal Year 2021-22 General Fund carryover balance to offset deficit cash balance.

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**General Fund Budgetary Highlights**

The County's final budget appropriations for General Fund expenditures increased \$21.3 million over the original approved budget by the Board of Supervisors.

Notable differences between the original FY 2022-23 Adopted Budget and the final amended FY 2022-23 budget are summarized below:

**Revenues**

- ❖ Taxes: 1.3% increase
  - Due to the voter approved passing of Measure P Essential Sales tax to support fire prevention and protection.
- ❖ Fines, Forfeits, and Penalties: 30.6% increase
  - Due to increase in fees collected in Planning and Building services.
- ❖ Intergovernmental: 3.2% increase
  - Due to increase in grant and realignment anticipated revenues.
- ❖ Other Revenue: 14.5% increase
  - Due to increase in opioid settlement funds.

**Expenses**

- ❖ General Government: 14.0% increase
  - Largely due to salary increases and increase to County portion of healthcare costs. A small portion was to due increase in County Counsel professional services.
- ❖ Public Protection: 3.5% increase
  - Partly due to salary increases and increases to County portion of healthcare costs, but part was due to increase in equipment costs. The equipment costs were offset by American Rescue Plan Act (ARPA) funding for vehicles.
- ❖ Health and Sanitation: 7.6% increase
  - Due to salary increases and increases to County portion of healthcare costs.
- ❖ Education – 4.8% increase
  - Due to salary increases and increases to County portion of healthcare costs.
- ❖ Recreation and Cultural Services – 3.9% increase
  - Due to salary increases and increases to County portion of healthcare costs.
- ❖ Capital Outlay – 97.2% increase
  - Due largely to the anticipated progression of the jail project

**COUNTY OF MENDOCINO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$163.9 million (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 \$6.6 million, an increase of 4.2%. This overall increase was largely due to (1) the completion of the new mental health treatment crisis residential facility, (2) purchase of vehicles for public safety, (3) construction in progress related to the jail project, and (4) newly recognizing SBITA Assets in accordance with GASB Statement No. 96. The increases were partially offset by depreciation expense. Additional details of capital assets are in Note 5.

	2023	2022
<b>CAPITAL ASSETS</b>		
Land	\$ 2,925,121	\$ 2,928,621
Structures and Improvements	45,490,407	42,071,805
Improvements Other than Buildings	693,289	757,426
Equipment	10,016,911	8,896,114
Infrastructure	54,587,307	57,222,211
Construction in Progress	43,014,002	40,440,580
Lease Assets	4,688,138	5,080,182
SBITA Assets	2,527,412	-
Total Capital Assets	\$ 163,942,587	\$ 157,396,939

**Long-Term Debt**

At the end of the current fiscal year, the Governmental Funds had long-term debt outstanding of \$53.5 million.

	2023	2022
<b>OUTSTANDING DEBT</b>		
General Obligation Bonds	\$ 27,860,000	\$ 33,915,000
Certificates of Participation	20,855,000	13,430,000
Lease Liabilities	4,854,044	5,143,317
SBITA Liabilities	2,527,471	-
Total	\$ 53,569,044	\$ 52,488,317

The County's total long-term debt increased by \$1.1 million, or 2.1% during the current fiscal year. Contributing factors were recognizing SBITA Liabilities in accordance with GASB 96, and the addition of new bond financing through the Certificates of Participation, partially offset by the decrease in Pension Obligation bonds.

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 \$13,490,800,000 and the current debt limitation for the County is \$164,010,197.

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, 2023**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Board of Supervisors in May 2022 adopted the County's first Strategic Plan in over 30 years. The plan will help guide the critical decisions the Board of Supervisors will face over the next five years to improve the quality of life for county residents. The Strategic Plan consists of 17 goals under 4 Priority areas: An Effective County Government, A Safe and Health County, A Thriving Economy, and A Prepared and Resilient County.

The Fiscal Year 2023-24 budget was created with the Strategic Plan's priorities, goals, and objectives in mind, while at the same time trying to balance competing factors. The following is a partial list of factors considered during the preparation of the Fiscal Year 2022-23 budget.

- ❖ Employee retention
- ❖ Labor negotiations
- ❖ High rates of inflation
- ❖ Significant cost escalations
- ❖ Labor Market
- ❖ Minimal property tax revenue growth
- ❖ Stagnant growth in Transient Occupancy Tax, Sales Tax
- ❖ Economic development

**REQUESTS FOR INFORMATION**

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



*Pomo Bluffs, Fort Bragg, CA; photo by Megan Miltimore*





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



**COUNTY OF MENDOCINO  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 173,940,334
Cash with Fiscal Agent	22,046,569
Other Cash	172,643
Accounts Receivable	15,411,339
Due from Other Governments	28,437,591
Taxes Receivable	5,974,963
Inventories	1,094,839
Capital Assets:	
Nondepreciable	45,939,123
Depreciable, Net	110,787,914
Lease Assets, Net	4,688,138
SBITA Assets, Net	2,527,412
Total Assets	411,020,865
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pensions	68,117,338
Deferred Loss on Refunding	643,509
Total Deferred Outflows of Resources	68,760,847
<b>LIABILITIES</b>	
Accounts Payable	16,396,824
Salaries and Benefits Payable	2,872,556
Interest Payable	703,283
Unearned Revenue	23,269,054
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,650,000
Bonds Payable	6,390,000
Lease Liability	348,062
SBITA Liability	1,028,550
Closure/Post-Closure Liability	501,152
Liability for Compensated Absences	6,322,432
Claims Liability	1,234,090
Portion Due or Payable After One Year:	
Certificates of Participation	20,727,369
Bonds Payable	21,470,000
Lease Liability	4,505,982
SBITA Liability	1,498,921
Closure/Post-Closure Liability	9,467,761
Net Pension Liability	241,225,242
Total Liabilities	359,611,278
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pensions	1,012,094
<b>NET POSITION</b>	
Net Investment in Capital Assets	133,071,382
Permanently Restricted for Endowments	432,445
Temporarily Restricted for:	
Legally Segregated Taxes, Grants, and Fees	105,610,041
Debt Service and Capital Projects	19,526,097
Unrestricted	(139,481,625)
Total Net Position	\$ 119,158,340

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities:					
General Government	\$ 29,732,223	\$ 5,829,852	\$ 5,738,263	\$ -	\$ (18,164,108)
Public Protection	88,682,846	8,888,383	29,045,077	-	(50,749,386)
Public Ways and Facilities	17,601,339	325,435	12,601,492	1,340,186	(3,334,226)
Health and Sanitation	60,621,479	7,443,338	54,037,440	-	859,299
Public Assistance	95,078,794	3,136,146	100,200,616	-	8,257,968
Education	4,799,099	16,573	157,214	-	(4,625,312)
Recreation and Culture	823,405	286	-	-	(823,119)
Debt Service:					
Interest	2,421,053	-	-	-	(2,421,053)
<b>Total Governmental Activities</b>	<b>\$ 299,760,238</b>	<b>\$ 25,640,013</b>	<b>\$ 201,780,102</b>	<b>\$ 1,340,186</b>	<b>(70,999,937)</b>
<b>GENERAL REVENUES</b>					
Taxes:					
Property Taxes					54,795,594
Sales and Use Taxes					30,336,543
Transient Occupancy Tax					8,098,756
Other					3,796,201
Unrestricted Interest and Investment Earnings					2,176,216
Miscellaneous					2,420,170
Total General Revenues					101,623,480
<b>CHANGE IN NET POSITION</b>					30,623,543
Net Position - Beginning of Year					88,534,797
<b>NET POSITION - END OF YEAR</b>					<b>\$ 119,158,340</b>

See accompanying Notes to Basic Financial Statements.

**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

**COUNTY OF MENDOCINO  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General	Debt Service	Pension Obligation Bonds	Miscellaneous Grants	Mental Health Services
<b>ASSETS</b>					
Pooled Cash and Investments in Treasury	\$ 44,800,009	\$ -	\$ 742,159	\$ 7,338,318	\$ 10,275,619
Restricted Assets:					
Cash with Fiscal Agent	-	14,839,400	7,207,169	-	-
Imprest Cash	103,073	-	-	-	-
Accounts Receivable	9,692,596	-	-	866,034	2,374,397
Taxes Receivable	5,319,946	-	-	-	-
Due from Other Governments	15,199,261	-	-	670,807	2,490,730
Inventory	227,871	-	-	-	-
Due from Other Funds	8,086,107	-	-	-	-
Total Assets	<u>\$ 83,428,863</u>	<u>\$ 14,839,400</u>	<u>\$ 7,949,328</u>	<u>\$ 8,875,159</u>	<u>\$ 15,140,746</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 6,422,035	\$ -	\$ -	\$ 838,789	\$ 3,706,507
Accrued Salaries and Benefits	2,483,268	-	-	37,823	127,062
Due to Other Funds	-	2,559,348	-	-	-
Unearned Revenue	171,435	-	-	1,383,507	1,685,584
Total Liabilities	<u>9,076,738</u>	<u>2,559,348</u>	<u>-</u>	<u>2,260,119</u>	<u>5,519,153</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	8,936,668	-	-	866,034	2,371,378
Total Deferred Inflows of Resources	<u>8,936,668</u>	<u>-</u>	<u>-</u>	<u>866,034</u>	<u>2,371,378</u>
<b>FUND BALANCES</b>					
Nonspendable	227,871	-	-	-	-
Restricted	33,366,589	12,280,052	7,949,328	5,749,006	7,250,215
Assigned	27,707,887	-	-	-	-
Unassigned	4,113,110	-	-	-	-
Total Fund Balances	<u>65,415,457</u>	<u>12,280,052</u>	<u>7,949,328</u>	<u>5,749,006</u>	<u>7,250,215</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 83,428,863</u>	<u>\$ 14,839,400</u>	<u>\$ 7,949,328</u>	<u>\$ 8,875,159</u>	<u>\$ 15,140,746</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2023**

	Road	Mental Health Treatment	Cannabis Grants	Disaster Recovery	Other Governmental Funds	Total
<b>ASSETS</b>						
Pooled Cash and Investments in Treasury	\$ 6,515,184	\$ 40,884,079	\$ 13,719,295	\$ 16,138,788	\$ 24,764,139	\$165,177,590
Restricted Assets:						
Cash with Fiscal Agent	-	-	-	-	-	22,046,569
Imprest Cash	50	-	-	-	595	103,718
Accounts Receivable	1,501,398	7,056	-	149,786	115,694	14,706,961
Taxes Receivable	-	229,658	-	-	425,359	5,974,963
Due from Other Governments	3,602,812	283,486	-	156,860	518,500	22,922,456
Inventory	866,968	-	-	-	-	1,094,839
Due from Other Funds	-	-	-	-	-	8,086,107
Total Assets	<u>\$ 12,486,412</u>	<u>\$ 41,404,279</u>	<u>\$ 13,719,295</u>	<u>\$ 16,445,434</u>	<u>\$ 25,824,287</u>	<u>\$240,113,203</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 957,090	\$ 49,031	\$ 490,619	\$ 583,403	\$ 1,886,697	\$ 14,934,171
Accrued Salaries and Benefits	122,457	-	-	10,225	77,238	2,858,073
Due to Other Funds	-	-	-	-	26,193	2,585,541
Unearned Revenue	-	-	11,813,614	7,393,746	821,168	23,269,054
Total Liabilities	<u>1,079,547</u>	<u>49,031</u>	<u>12,304,233</u>	<u>7,987,374</u>	<u>2,811,296</u>	<u>43,646,839</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	1,500,352	7,056	-	149,786	113,867	13,945,141
Total Deferred Inflows of Resources	<u>1,500,352</u>	<u>7,056</u>	<u>-</u>	<u>149,786</u>	<u>113,867</u>	<u>13,945,141</u>
<b>FUND BALANCES</b>						
Nonspendable	866,968	-	-	-	-	1,094,839
Restricted	9,039,545	41,348,192	1,415,062	8,308,274	18,548,024	145,254,287
Assigned	-	-	-	-	4,397,743	32,105,630
Unassigned	-	-	-	-	(46,643)	4,066,467
Total Fund Balances	<u>9,906,513</u>	<u>41,348,192</u>	<u>1,415,062</u>	<u>8,308,274</u>	<u>22,899,124</u>	<u>182,521,223</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,486,412</u>	<u>\$ 41,404,279</u>	<u>\$ 13,719,295</u>	<u>\$ 16,445,434</u>	<u>\$ 25,824,287</u>	<u>\$240,113,203</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, 2023**

**Fund Balance - Total Governmental Funds** \$ 182,521,223

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. 13,945,141

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 154,638,635

Deferred outflows of resources reported in the Statement of Net Position. 68,760,847

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: 11,924,322

Deferred inflows of resources reported in the Statement of Net Position. (1,012,094)

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	(27,860,000)
Certificates of Participation	(22,377,369)
Lease Liability	(2,760,007)
SBITA Liability	(443,757)
Accrued Interest on Long-Term Debt	(703,283)
Compensated Absences	(6,281,163)
Pension Liability	(241,225,242)
Landfill Closure/Post-Closure Care Costs	<u>(9,968,913)</u>

**Net Position of Governmental Activities** \$ 119,158,340

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, 2023**

	General	Debt Service	Pension Obligation Bonds	Miscellaneous Grants	Mental Health Services
<b>REVENUES</b>					
Taxes	\$ 85,551,321	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	4,695,327	-	-	-	-
Intergovernmental	138,250,557	-	-	10,824,519	15,054,259
Revenue from Use of Money and Property	2,121,032	253,757	(38,143)	(121,465)	107,741
Fines, Forfeitures, and Penalties	1,251,798	9,060	-	-	-
Charges for Services	14,335,071	-	-	450,275	2,022,009
Other Revenues	938,769	-	558,785	219,253	121,519
Total Revenues	<u>247,143,875</u>	<u>262,817</u>	<u>520,642</u>	<u>11,372,582</u>	<u>17,305,528</u>
<b>EXPENDITURES</b>					
Current:					
General Government	27,010,683	46,132	8,333	-	-
Public Protection	77,653,752	-	-	1,838,936	-
Public Ways and Facilities	182,679	-	-	-	-
Health and Sanitation	19,136,719	-	-	3,602,700	32,348,418
Public Assistance	84,328,945	-	-	3,474,344	-
Education	222,586	-	-	-	-
Recreation and Culture	769,894	-	-	225	-
Debt Service:					
Principal	605,720	-	6,055,000	-	108,773
Interest	296,911	623,468	1,774,640	-	-
Debt Issuance Costs	-	378,793	-	-	-
Capital Outlay	3,318,735	-	-	-	-
Total Expenditures	<u>213,526,624</u>	<u>1,048,393</u>	<u>7,837,973</u>	<u>8,916,205</u>	<u>32,457,191</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	33,617,251	(785,576)	(7,317,331)	2,456,377	(15,151,663)
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Issued	-	20,855,000	-	-	-
Premium on Debt Issued	-	1,642,106	-	-	-
Payment to Refunded Escrow Agent	-	(13,637,240)	-	-	-
Transfers in	8,401,476	2,217,754	7,249,483	129,670	14,704,072
Transfers out	(39,174,042)	(32,623)	-	(624,947)	(247,511)
Total Other Financing Sources (Uses)	<u>(30,772,566)</u>	<u>11,044,997</u>	<u>7,249,483</u>	<u>(495,277)</u>	<u>14,456,561</u>
<b>NET CHANGES IN FUND BALANCES</b>	2,844,685	10,259,421	(67,848)	1,961,100	(695,102)
Fund Balances - Beginning of Year	62,570,772	2,020,631	8,017,176	3,787,906	7,945,317
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 65,415,457</u>	<u>\$ 12,280,052</u>	<u>\$ 7,949,328</u>	<u>\$ 5,749,006</u>	<u>\$ 7,250,215</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, 2023**

	Road	Mental Health Treatment	Cannabis Grants	Disaster Recovery	Other Governmental Funds	Total
<b>REVENUES</b>						
Taxes	\$ 60,000	\$ 8,067,212	\$ -	\$ -	\$ 3,348,561	\$ 97,027,094
Licenses, Permits, and Franchises	73,664	-	-	-	375,064	5,144,055
Intergovernmental	13,001,328	-	5,199,546	14,037,139	5,995,762	202,363,110
Revenue from Use of Money and Property	(5,954)	230,162	93,485	(95,453)	(231,917)	2,313,245
Fines, Forfeitures, and Penalties	8,258	-	-	-	5,750	1,274,866
Charges for Services	243,513	83,860	-	7,115	537,820	17,679,663
Other Revenues	1,449	-	-	235,003	47,383	2,122,161
Total Revenues	<u>13,382,258</u>	<u>8,381,234</u>	<u>5,293,031</u>	<u>14,183,804</u>	<u>10,078,423</u>	<u>327,924,194</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	610,692	27,675,840
Public Protection	-	-	-	5,426,931	2,218,479	87,138,098
Public Ways and Facilities	16,060,533	-	-	-	53,016	16,296,228
Health and Sanitation	-	633,339	-	-	3,206,160	58,927,336
Public Assistance	-	-	5,646,882	-	-	93,450,171
Education	-	-	-	-	4,393,859	4,616,445
Recreation and Culture	-	-	-	-	-	770,119
Debt Service:						
Principal	-	-	-	-	75,646	6,845,139
Interest	-	-	-	-	701	2,695,720
Debt Issuance Costs	-	-	-	-	-	378,793
Capital Outlay	-	-	-	-	2,496,120	5,814,855
Total Expenditures	<u>16,060,533</u>	<u>633,339</u>	<u>5,646,882</u>	<u>5,426,931</u>	<u>13,054,673</u>	<u>304,608,744</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,678,275)	7,747,895	(353,851)	8,756,873	(2,976,250)	23,315,450
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt Issued	-	-	-	-	56,616	20,911,616
Premium on Debt Issued	-	-	-	-	-	1,642,106
Payment to Refunded Escrow Agent	-	-	-	-	-	(13,637,240)
Transfers in	4,183,822	-	-	437,324	12,987,026	50,310,627
Transfers out	(294,235)	(886,405)	-	(8,104,332)	(4,931,604)	(54,295,699)
Total Other Financing Sources (Uses)	<u>3,889,587</u>	<u>(886,405)</u>	<u>-</u>	<u>(7,667,008)</u>	<u>8,112,038</u>	<u>4,931,410</u>
<b>NET CHANGES IN FUND BALANCES</b>	1,211,312	6,861,490	(353,851)	1,089,865	5,135,788	28,246,860
Fund Balances - Beginning of Year	8,695,201	34,486,702	1,768,913	7,218,409	17,763,336	154,274,363
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 9,906,513</u>	<u>\$ 41,348,192</u>	<u>\$ 1,415,062</u>	<u>\$ 8,308,274</u>	<u>\$ 22,899,124</u>	<u>\$ 182,521,223</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, 2023**

**Net Change to Fund Balance - Total Governmental Funds** \$ 28,246,860

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	\$ 7,760,502	
Related Capital Assets Adjustments	(7,030,999)	
Less: Current Year Depreciation and Amortization	729,503	729,503

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.		2,086,495
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Debt proceeds and new leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, the repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Refunding COPs Issued & Premium on COPs Issued	(22,497,106)	
Payment to Escrow Agent	14,073,509	
Leases Issued	(56,616)	
Principal Payments on Bonds Payable	6,055,000	
Principal Payments on Leases Payable	207,078	
Principal Payments on SBITAs Payable	576,073	(1,642,062)

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	145,859	
Amortization of Bond Premiums, Discounts, and Deferred Amounts of Refunding	119,737	
Change in Compensated Absences	(151,438)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(3,323,803)	
Change in Liability for Closure/Post-Closure Care	(707,367)	(3,917,012)

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.		5,119,759
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**Change in Net Position of Governmental Activities** \$ 30,623,543

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Funds</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Pooled Cash and Investments in Treasury	\$ 8,659,026
Other Cash	172,643
Accounts Receivable	704,378
Due from Other Governments	14,569
Total Current Assets	9,550,616
<b>NONCURRENT ASSETS</b>	
Capital Assets:	
Nondepreciable	2,972,299
Depreciable, Net	2,395,173
Lease Assets, Net	2,005,507
SBITA Assets, Net	1,930,973
Total Noncurrent Assets	9,303,952
Total Assets	\$ 18,854,568
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 1,462,653
Accrued Salaries and Benefits	14,483
Compensated Absences	41,269
Liability for Unpaid Claims	1,234,090
Lease Liability	155,223
SBITA Liability	696,503
Total Current Liabilities	3,604,221
<b>NONCURRENT LIABILITIES</b>	
Lease Liability	1,938,814
SBITA Liability	1,387,211
Total Noncurrent Liabilities	3,326,025
Total Liabilities	6,930,246
<b>NET POSITION</b>	
Investment in Capital Assets	5,126,201
Unrestricted	6,798,121
Total Net Position	11,924,322
Total Liabilities and Net Position	\$ 18,854,568

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, 2023**

	Governmental Activities <u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 32,199,336
Other Revenues	47,526
Total Operating Revenues	<u>32,246,862</u>
<b>OPERATING EXPENSES</b>	
Salaries and Employee Benefits	738,795
Services and Supplies	2,076,313
Insurance	8,376,639
Depreciation	1,173,958
Claims and Judgments	19,481,380
Total Operating Expenses	<u>31,847,085</u>
<b>OPERATING INCOME</b>	399,777
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Other Revenue	669,742
Gain on Disposal of Capital Assets	122,849
Investment Revenue	16,760
Interest Expense	(74,441)
Total Nonoperating Revenues (Expenses)	<u>734,910</u>
<b>INCOME BEFORE TRANSFERS</b>	1,134,687
<b>TRANSFERS IN</b>	4,492,510
<b>TRANSFERS OUT</b>	<u>(507,438)</u>
<b>CHANGE IN NET POSITION</b>	5,119,759
Net Position - Beginning of Year	<u>6,804,563</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 11,924,322</u></u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<u>Governmental Activities</u> <u>Internal</u> <u>Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Receipts from Interfund Services Provided	\$ 31,772,188
Cash Paid to Employees for Services	(780,253)
Cash Paid to Suppliers for Goods and Services	(31,406,515)
Net Cash Used by Operating Activities	<u>(414,580)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Noncapital Other Contributions	58,323
Transfers In	3,383,476
Transfers Out	(507,438)
Net Cash Provided by Noncapital Financing Activities	<u>2,934,361</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(2,686,968)
Proceeds from Sale of Capital Assets	80,342
Principal Payments on Capital Debt	(726,983)
Interest Paid on Capital Debt	(74,441)
Net Cash Used by Capital and Related Financing Activities	<u>(3,408,050)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment loss	16,760
Net Cash Provided by Investing Activities	<u>16,760</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(871,509)
Cash and Cash Equivalents - Beginning of Year	<u>9,703,178</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 8,831,669</u>
Pooled Cash and Investments in Treasury	\$ 8,659,026
Other Cash	<u>172,643</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 8,831,669</u>

See accompanying Notes to Basic Financial Statements.



**COUNTY OF MENDOCINO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
USED BY OPERATING ACTIVITIES**

Operating Income	\$ 399,777
Adjustments to Reconcile Operating Income to Net	
Cash Used by Operating Activities:	
Depreciation	1,173,958
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(474,674)
Increase (Decrease) in:	
Accounts Payable	626,352
Accrued Salaries	(62,046)
Compensated Absences	20,588
Claims Liability	<u>(2,098,535)</u>
Net Cash Used by Operating Activities	<u>\$ (414,580)</u>

*See accompanying Notes to Basic Financial Statements.*

**COUNTY OF MENDOCINO**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2023**

	Investment Trust	Private Purpose Trust Fund	Custodial Fund	Pension Trust Fund
<b>ASSETS</b>				
Cash and Investments in Treasury	\$ 302,206,143	\$ -	\$ 14,326,319	\$ 677,082
Cash in Trust Account	-	1,660,200	-	-
Investments:				
Fixed Income	-	-	-	129,681,011
Domestic Equities	-	-	-	241,562,876
International Equities	-	-	-	158,805,420
Real Estate Partnerships	-	-	-	79,347,431
Infrastructure	-	-	-	52,421,472
Real Estate - 625 Kings Court, Ukiah, CA	-	-	-	1,347,000
Accounts Receivable	-	-	-	1,574,252
Taxes Receivable	-	-	32,262,195	-
Other Assets	-	-	-	79,383
Total Assets	<u>302,206,143</u>	<u>1,660,200</u>	<u>46,588,514</u>	<u>665,495,927</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	-	-	-	1,586,319
Due to Other Funds	-	-	5,500,566	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,500,566</u>	<u>1,586,319</u>
<b>NET POSITION</b>				
Restricted for:				
Pensions	-	-	-	663,909,608
Pool Participants	302,206,143	-	-	-
Individuals, Organizations, and Other Governments	-	1,660,200	41,087,948	-
Total Net Position	<u>\$ 302,206,143</u>	<u>\$ 1,660,200</u>	<u>\$ 41,087,948</u>	<u>\$ 663,909,608</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MENDOCINO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Investment Trust	Private Purpose Trust Funds	Custodial Fund	Pension Trust Fund
<b>ADDITIONS</b>				
Contributions:				
Employer Contributions	\$ -	\$ -	\$ -	\$ 30,309,355
Member Contributions	-	-	-	8,492,670
Contributions on Pooled Investments	861,879,769	-	402,267,593	27,140
Contributions to Private Purpose Trust	-	1,863,227	-	-
Taxes Collected for Other Governments	-	-	382,744,742	-
Interest and Investment Income - Net	6,517,697	-	6,458,587	50,150,363
Total Additions	<u>868,397,466</u>	<u>1,863,227</u>	<u>791,470,922</u>	<u>88,979,528</u>
<b>DEDUCTIONS</b>				
Benefit Payments	-	-	-	45,454,533
Administrative Expenses	-	-	-	1,549,772
Taxes Distributed to Other Governments	-	-	358,704,008	-
Distributions from Investment Pool	810,305,066	-	420,884,023	-
Distributions from Private Purpose Trust	-	1,597,309	-	-
Total Deductions	<u>810,305,066</u>	<u>1,597,309</u>	<u>779,588,031</u>	<u>47,004,305</u>
<b>CHANGE IN NET POSITION</b>	58,092,400	265,918	11,882,891	41,975,223
Net Position - Beginning of Year	<u>244,113,743</u>	<u>1,394,282</u>	<u>29,205,057</u>	<u>621,934,385</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 302,206,143</u>	<u>\$ 1,660,200</u>	<u>\$ 41,087,948</u>	<u>\$ 663,909,608</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, 2023**

**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 30 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, 2023**

**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, 2023, 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, 2023**

**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 *Miscellaneous Grants Fund* is used to account for 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.
- 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, 2023**

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

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the County's vehicle replacement and software acquisition services provided to other departments or to other governments and self-insurance programs – unemployment, general liability, workers' compensation, and health insurance benefits, on a cost-reimbursement basis.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and 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.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

Fund Financial Statements (Continued)

- The *Custodial Funds* account for assets held by the County as an agent for various local governments. The agency funds maintained by the County include two separate components.
  - County Departmental – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.
  - Unapportioned Taxes – Accounts for property tax receipts awaiting apportionment to other local agencies.
  
- The *Pension Trust Fund* accounts for the pooled cash held in the County Treasury for the Mendocino County Employees' Retirement Association.

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

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

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.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

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

**D. Cash and Investments**

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

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

**E. Cash and Cash Equivalents**

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

**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 \$62,358,784 restricted cash deposited with fiscal agents to meet Certificates of Participation, Pension Obligation Bond and other long-term debt reserve fund requirements.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**I. Net Position/Fund Balance**

**Net Position**

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

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

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

**Fund Balances**

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

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.
- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors with a 4/5 vote. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

**Fund Balances (Continued)**

- *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.

**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 -\$28,748 at year-end.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**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.

**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.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**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.

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.



**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**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.

**P. Adoption of New Accounting Standards**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard requires the recognition of a right-to-use subscription asset – an intangible asset -- and a corresponding subscription liability.

The County of Mendocino adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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.

At June 30, 2023, total County cash and investments were as follows:

Cash:	
Imprest Cash	\$ 252,482
Deposits Less Outstanding Warrants	<u>13,123,928</u>
Total Cash	13,376,410
Investments:	
In Treasurer's Pool	479,606,311
With Fiscal Agents	22,046,569
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	<u>663,165,210</u>
Total Investments	<u>1,164,818,090</u>
Total Cash and Investments	<u><u>\$1,178,194,500</u></u>

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Total cash and investments at June 30, 2023, were presented on the County's financial statements as follows:

Primary Government	\$ 196,159,546
Investment Trust Funds	302,206,143
Pension Trust Fund	663,842,292
Private Purpose Trust Funds	1,660,200
Custodial Funds	<u>14,326,319</u>
Total Cash and Investments	<u>\$1,178,194,500</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, 2023, the carrying value of the County's deposits was \$13,123,928 and the bank balance was \$35,558,569. 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, 2023**

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

**Investments**

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

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Investments (Continued)**

At June 30, 2023, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Investment Pool:					
Federal Agency Obligations	0.13% - 4.63%	7/1/2023 - 6/23/2026	\$ 92,725,473	\$ 91,116,811	1.12
Treasury Obligations	0.13% - 5.00%	7/31/2023 - 12/15/2024	236,060,043	228,540,438	0.32
Medium Term Corporate Notes	0.35% - 5.08%	1/17/2024 - 5/10/2027	64,236,946	61,938,928	1.81
Commercial Paper	5.29%	10/5/2023 - 10/5/2023	4,929,467	4,929,467	0.26
Supranational	0.25%	11/24/2023 - 11/24/2023	1,089,688	1,068,375	0.40
Time Deposit	4.00% - 4.25%	3/3/2024 - 3/30/2024	500,000	500,000	0.71
Money Market Mutual Funds	Variable	On Demand	1,512,292	1,512,292	
California Local Agency Investment Fund (LAIF)	Variable	On Demand	35,000,000	35,000,000	
California Asset Management Program	Variable	On Demand	55,000,000	55,000,000	
			491,053,909	479,606,311	
Investments Outside					
Investment Pool:					
Cash Held with Fiscal Agent					
Pension Trust Fund (Held by MCERA)	Variable	N/A	663,165,210	663,165,210	
Money Market Mutual Funds	Variable	On Demand	22,046,569	22,046,569	
Total Investments			<u>\$ 1,176,265,688</u>	<u>\$ 1,164,818,090</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, 2023**

**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, 2023, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: Federal Farm Credit Bank: 10.46% (\$50,183,398).

**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, 2023**

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

**Fair Value Measurements (Continued)**

The pool has the following recurring fair value measurements as of June 30, 2023:

	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Federal Agency Obligations	\$ 91,116,811	\$ -	\$ 91,116,811	\$ -
Treasury Obligations	228,540,438	-	228,540,438	-
Medium Term Corporate Notes	61,938,928	-	61,938,928	-
Commercial Paper	4,929,467	-	4,929,467	-
Supranational	1,068,375	-	1,068,375	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	1,512,292	1,512,292	-	-
<b>Total Investments Measured at Fair Value</b>	<b>389,606,311</b>	<b>\$ 2,012,292</b>	<b>\$ 387,594,019</b>	<b>\$ -</b>
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	35,000,000			
California Asset Management Program	55,000,000			
<b>Total Pooled and Directed Investments</b>	<b>\$ 479,606,311</b>			

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023:

	<u>Moody's</u>	<u>S &amp; P</u>	<u>% of Portfolio</u>
Investments in Investment Pool:			
Federal Agency Obligations	Aaa	AA+	19.00%
Treasury Obligations	Aaa	AA+	47.65%
Medium Term Notes	A1	A	2.73%
Medium Term Notes	A1	A-	0.95%
Medium Term Notes	A1	A+	1.76%
Medium Term Notes	A1	AA	0.90%
Medium Term Notes	A2	A	2.24%
Medium Term Notes	A2	A-	0.46%
Medium Term Notes	A2	A+	1.15%
Medium Term Notes	Aa2	AA	0.41%
Medium Term Notes	Aa3	AA-	0.88%
Medium Term Notes	Aa3	AA+	0.41%
Medium Term Notes	Aaa	AA+	1.03%
Money Market Mutual Funds	Aaa	AAA	0.32%
Supranational	Aaa	AAA	0.22%
Commercial Paper	P-1	A-1	1.03%
Time Deposit	Unrated	Unrated	0.10%
California Local Agency Investment Fund			
State Pool	Unrated	Unrated	7.30%
Public Financial Management CAMP	Unrated	AAA	11.46%
			<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, 2023**

**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, 2023, the County's investment position in the state of California Local Agency Investment Fund (LAIF) was \$35 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 \$178.3 billion. Of that amount, 2.78% was invested in structured notes and asset-backed securities with the remaining 97.22% 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, 2023:

**Statement of Net Position**

Net Position Held for Pool Participants	<u>\$ 491,029,490</u>
Equity of Internal Pool Participants	\$ 200,326,702
Equity of External Pool Participants	<u>290,702,788</u>
Total Net Position	<u>\$ 491,029,490</u>

**Statement of Changes in Net Position**

Net Position for Pool Participants at July 1, 2022	\$ 433,066,332
Net Change in Investments by Pool Participants	<u>57,963,158</u>
Net Position at June 30, 2023	<u>\$ 491,029,490</u>

**NOTE 3 ENDOWMENTS**

For the year ended June 30, 2023, the net increase on investments of donor-restricted endowments was \$9,261. 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, 2023**

**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, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 2,559,348
	Other Governmental Funds	26,193
	Custodial Funds	5,500,566
Total		\$ 8,086,107

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)**

**Transfers**

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	General Fund	\$ -
	Mental Health Services Fund	14,573,514
	Roads Fund	3,895,354
	Miscellaneous Grants Fund	73,293
	Disaster Recovery Fund	437,324
	Debt Service Fund	2,178,827
	Pension Obligation Bonds Fund	6,417,369
	Internal Service Funds	3,378,282
	Other Governmental Funds	<u>8,220,079</u>
		39,174,042
Miscellaneous Grants Fund	General Fund	53,906
	Pension Obligation Bonds Fund	90,885
	Other Governmental Funds	<u>480,156</u>
	624,947	
Mental Health Services Fund	Pension Obligation Bonds Fund	208,584
	Debt Service Fund	<u>38,927</u>
		247,511
Roads Fund	General Fund	2,641
	Pension Obligation Bonds Fund	<u>291,594</u>
		294,235
Mental Health Treatment Fund	Other Governmental Funds	<u>886,405</u>
		886,405
Debt Service Fund	Other Governmental Funds	<u>32,623</u>
		32,623
Disaster Recovery Fund	General Fund	4,349,128
	Mental Health Services Fund	130,558
	Road Fund	288,468
	Miscellaneous Grants Fund	40,780
	Pension Obligation Bonds Fund	33,255
	Internal Service Funds	1,114,228
	Other Governmental Funds	<u>2,147,915</u>
	8,104,332	
Nonmajor Governmental Funds	General Fund	3,522,177
	Miscellaneous Grants	15,597
	Pension Obligation Bonds Fund	173,982
	Other Governmental Funds	<u>1,219,848</u>
	4,931,604	
Internal Service Funds	General Fund	473,624
	Pension Obligation Bonds Fund	<u>33,814</u>
		507,438
Total		<u>\$ 54,803,137</u>

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance* June 30, 2022	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2023
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,928,621	\$ -	\$ (3,000)	\$ (500)	\$ 2,925,121
Construction in Progress	40,440,580	8,198,657	-	(5,625,235)	43,014,002
Total Capital Assets, Not Being Depreciated	<u>43,369,201</u>	<u>8,198,657</u>	<u>(3,000)</u>	<u>(5,625,735)</u>	<u>45,939,123</u>
Capital Assets, Being Depreciated:					
Infrastructure	112,081,055	-	-	-	112,081,055
Structures and Improvements	95,365,134	-	(110,133)	5,657,864	100,912,865
Equipment	43,197,251	2,591,480	(641,741)	25,062	45,172,052
Improvements Other than Buildings	6,112,950	-	-	155,151	6,268,101
Total Capital Assets, Being Depreciated	<u>256,756,390</u>	<u>2,591,480</u>	<u>(751,874)</u>	<u>5,838,077</u>	<u>264,434,073</u>
Less Accumulated Depreciation for:					
Infrastructure	(54,858,844)	(2,634,904)	-	-	(57,493,748)
Structures and Improvements	(53,293,329)	(2,210,390)	94,102	(12,841)	(55,422,458)
Equipment	(34,301,137)	(1,495,745)	641,741	-	(35,155,141)
Improvements Other than Buildings	(5,355,524)	(219,288)	-	-	(5,574,812)
Total Accumulated Depreciation	<u>(147,808,834)</u>	<u>(6,560,327)</u>	<u>735,843</u>	<u>(12,841)</u>	<u>(153,646,159)</u>
Total Capital Assets, Being Depreciated, Net	<u>108,947,556</u>	<u>(3,968,847)</u>	<u>(16,031)</u>	<u>5,825,236</u>	<u>110,787,914</u>
Right-to-Use Assets					
Leased Structures	3,058,786	-	(55,455)	(14,709)	2,988,622
Leased Equipment	239,381	56,616	-	-	295,997
Other Leased Assets	2,193,136	-	-	-	2,193,136
SBITAs	3,479,969	258,122	-	-	3,738,091
Total Capital Assets, Being Amortized	<u>8,971,272</u>	<u>314,738</u>	<u>(55,455)</u>	<u>(14,709)</u>	<u>9,215,846</u>
Less Accumulated Amortization					
Leased Structures	(220,963)	(219,787)	55,455	-	(385,295)
Leased Equipment	(13,848)	(38,800)	-	-	(52,648)
Other Leased Assets	(176,310)	(175,364)	-	-	(351,674)
SBITAs	-	(1,210,679)	-	-	(1,210,679)
Total Accumulated Amortization	<u>(411,121)</u>	<u>(1,644,630)</u>	<u>55,455</u>	<u>-</u>	<u>(2,000,296)</u>
Total Capital Assets, Being Amortized, Net	<u>8,560,151</u>	<u>(1,329,892)</u>	<u>-</u>	<u>(14,709)</u>	<u>7,215,550</u>
Governmental Activities Capital Assets, Net	<u>\$ 160,876,908</u>	<u>\$ 2,899,918</u>	<u>\$ (19,031)</u>	<u>\$ 184,792</u>	<u>\$ 163,942,587</u>

\*Beginning balance was adjusted to include the County's right-to-use software assets recorded as a result of the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

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

General Government	\$ 1,661,984
Public Protection	1,317,344
Public Ways and Facilities	3,038,133
Health and Sanitation	472,631
Public Assistance	390,393
Education	115,362
Recreation and Culture	35,152
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	1,173,958
Total Depreciation and Amortization Expense - Governmental Functions	\$ 8,204,957

**NOTE 6 LONG-TERM LIABILITIES**

Individual issues of loans, bonds, and certificates of participation outstanding at June 30, 2023 are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2023
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	\$ 27,860,000
Refunding Certificates of Participation:					
2022 Series (Issued to Refund 2012 Series COPs that Funded the Construction of Capital Assets)	6/1/2024 - 6/1/2043	4.125% - 5.00%	\$425,000 - \$2,205,000	\$ 20,855,000	\$ 20,855,000

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023:

	Balance*			Balance	Amounts
	July 1, 2022	Additions	Deletions	June 30, 2023	Due Within One Year
Governmental Activities:					
Refunded Certificates of Participation	\$ 13,430,000	\$ -	\$ (13,430,000)	\$ -	\$ -
Certificates of Participation	-	20,855,000	-	20,855,000	1,650,000
Certificates of Participation Premium	-	1,642,106	(119,737)	1,522,369	-
Bonds Payable	33,915,000	-	(6,055,000)	27,860,000	6,390,000
Lease Liabilities	5,143,317	56,616	(345,889)	4,854,044	348,062
SBITAs	3,457,369	234,347	(1,164,245)	2,527,471	1,028,550
Compensated Absences	6,150,406	2,289,755	(2,117,729)	6,322,432	6,322,432
Liability for Self-Insurance	3,332,625	19,481,380	(21,579,915)	1,234,090	1,234,090
Landfill Postclosure Costs	9,261,546	1,208,519	(501,152)	9,968,913	501,152
Total Governmental Activities	<u>\$ 74,690,263</u>	<u>\$ 45,767,723</u>	<u>\$ (45,313,667)</u>	<u>\$ 75,144,319</u>	<u>\$ 17,474,286</u>

\*Beginning balance was adjusted to include the County's SBITA liability recorded as a result of the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements

As of June 30, 2023, 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
2024	\$ 1,650,000	\$ 1,006,494	\$ 6,390,000	\$ 1,423,170
2025	1,730,000	923,994	6,760,000	1,043,793
2026	1,815,000	837,494	7,150,000	642,490
2027	1,905,000	746,744	7,560,000	218,106
2028	2,005,000	651,494	-	-
2029 - 2032	5,645,000	1,940,719	-	-
2023 - 2038	2,725,000	1,085,719	-	-
2039 - 2043	3,380,000	431,156	-	-
Total	<u>\$ 20,855,000</u>	<u>\$ 7,623,814</u>	<u>\$ 27,860,000</u>	<u>\$ 3,327,559</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, 2023**

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

**B. Leases**

The County is currently entered into 12 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 0.218 to 2.024 percent. Many of the structure leases increase annually by 3%. The July 1, 2022, lease liability was \$5,143,317 with a remaining balance of \$4,849,893 at June 30, 2023.

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

	Governmental Activities		
	Principal	Interest	Total
2024	\$ 348,062	\$ 65,038	\$ 413,100
2025	326,328	60,638	386,966
2026	316,157	56,379	372,536
2027	322,651	52,060	374,711
2028	337,019	47,633	384,652
2028 - 2033	1,774,510	166,233	1,940,743
2034 - 2038	1,429,317	63,201	1,492,518
Total Minimum Lease Payments	\$ 4,854,044	\$ 511,182	\$ 5,365,226

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

	Governmental Activities
Structures	\$ 2,988,622
Equipment	295,997
Other Assets	2,193,136
Less: Accumulated Amortization	(789,617)
Total	\$ 4,688,138

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**C. SBITAs**

The County is currently entered into 16 noncancelable leases with various subscription-based information technology agreements. 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 1.710 to 3.238 percent. The July 1, 2022, lease liability was \$3,457,369 with a remaining balance of \$2,527,471 at June 30, 2023.

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

	Governmental Activities		
	Principal	Interest	Total
2024	\$ 1,028,550	\$ -	\$ 1,028,550
2025	764,836	-	764,836
2026	734,085	-	734,085
Total Minimum Lease Payments	\$ 2,527,471	\$ -	\$ 2,527,471

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

	Governmental Activities
SBITAs	\$ 3,738,091
Less: Accumulated Amortization	(1,210,679)
Total	\$ 2,527,412

**D. 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 \$6,322,432. 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, 2023**

**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 \$9,968,913 reported as landfill closure/postclosure liability at June 30, 2023, 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 2023. 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, 2023
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	1994	\$ 248,999
South Coast Landfill	Mendocino County	100%	Pending	7,570,741
Laytonville Landfill	Mendocino County	100%	1997	2,149,173
Total				<u>\$ 9,968,913</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, 2023, investments of \$4,934,777 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, 2023**

**NOTE 8 NET POSITION/FUND BALANCES**

**Net Position**

Net investment in capital assets was comprised of the following:

	<u>Governmental Activities</u>
Capital Assets Net of Accumulated Depreciation	\$ 163,942,587
Outstanding Principal of Capital-Related Debt	(29,758,884)
Capital-Related AP	<u>(1,112,321)</u>
Net Position, Net Investment in Capital Assets	<u>\$ 133,071,382</u>

**Fund Balances**

Details of the fund balance classifications of governmental funds as of June 30, 2023 are as follows:

	General	Debt Service	Pension Obligation Bonds	Miscellaneous Grants	Mental Health Services	Road	Mental Health Treatment	Cannabis Grants	Disaster Recovery	Other Governmental Funds	Total
Nonspendable											
Inventory	\$ 227,871	\$ -	\$ -	\$ -	\$ -	\$ 866,968	\$ -	\$ -	\$ -	\$ -	\$ 1,094,839
Total Nonspendable	227,871	-	-	-	-	866,968	-	-	-	-	1,094,839
Restricted for:											
General Government	1,027,493	-	-	-	-	-	-	-	-	-	1,027,493
Road Projects	-	-	-	-	-	9,039,545	-	-	-	-	9,039,545
Public Protection	8,673,191	-	-	-	-	-	-	-	-	909,512	9,582,703
Public Assistance	5,910,393	-	-	-	-	-	-	1,415,062	-	-	7,325,455
Health Services	17,755,512	-	-	-	-	-	-	-	-	12,598,964	30,354,476
Mental Health	-	-	-	-	7,250,215	-	41,348,192	-	-	-	48,598,407
Special Districts	-	-	-	-	-	-	-	-	-	629,177	629,177
Various Grant Programs	-	-	-	5,749,006	-	-	-	-	-	3,977,926	9,726,932
Disaster Recovery	-	-	-	-	-	-	-	-	8,308,274	-	8,308,274
Debt Service	-	12,280,052	7,949,328	-	-	-	-	-	-	-	20,229,380
Endowment	-	-	-	-	-	-	-	-	-	432,445	432,445
Total Restricted	33,366,589	12,280,052	7,949,328	5,749,006	7,250,215	9,039,545	41,348,192	1,415,062	8,308,274	18,548,024	145,254,287
Assigned:											
Retirement	3,298,283	-	-	-	-	-	-	-	-	-	3,298,283
General Reserve	10,287,010	-	-	-	-	-	-	-	-	-	10,287,010
Contracted Services	14,122,594	-	-	-	-	-	-	-	-	4,397,743	18,520,337
Total Assigned	27,707,887	-	-	-	-	-	-	-	-	4,397,743	32,105,630
Unassigned	4,113,110	-	-	-	-	-	-	-	-	(46,643)	4,066,467
Total Fund Balance	<u>\$ 65,415,457</u>	<u>\$ 12,280,052</u>	<u>\$ 7,949,328</u>	<u>\$ 5,749,006</u>	<u>\$ 7,250,215</u>	<u>\$ 9,906,513</u>	<u>\$ 41,348,192</u>	<u>\$ 1,415,062</u>	<u>\$ 8,308,274</u>	<u>\$ 22,899,124</u>	<u>\$ 182,521,223</u>

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 PENSION PLANS**

**Summary of Significant Accounting Policies**

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

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

**Plan Descriptions**

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

**Benefits Provided**

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

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

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

**Benefits Provided (Continued)**

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).

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).

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

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

**Benefits Provided (Continued)**

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, 2022 for 2022-2023 (based on the June 30, 2022 valuation) was 36.03% of compensation. The actual employer rate depends on General, Safety, or Probation membership, and tier.

All members are required to make contributions to MCERA regardless of the retirement plan or tier in which they are included; however, non-PEPRA members with 30 or more years of service are exempt from paying member contributions. The average member contribution rate as of June 30, 2022 for 2022-2023 (based on the June 30, 2022 valuation) was 10.02% of compensation. The actual member rate depends on the member's age at the time of hire, General, Safety, or Probation membership, and tier.

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 PENSION PLANS (CONTINUED)**

**Summary of Significant Accounting Policies (Continued)**

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

**Contributions (Continued)**

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, 2023, the contributions for the Plan were as follows:

Contributions - Employer	\$ <u>29,020,253</u>
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**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2023, the County reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	\$ <u>241,225,242</u>

The County's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, 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, 2022. 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, 2021 and 2022 was as follows:

Proportion - June 30, 2021	96.47%
Proportion - June 30, 2022	<u>96.66%</u>
Change - Increase (Decrease)	0.188%

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023, the County recognized net pension expense of \$32,326,340. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 14,718,957	\$ 888,076
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,194,673	-
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions	183,455	124,018
County's Contributions Subsequent to the Measurement Date	<u>29,020,253</u>	<u>-</u>
Total	<u>\$ 68,117,338</u>	<u>\$ 1,012,094</u>

The County reported \$29,020,253 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, 2024. 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>
2024	\$ 12,683,677
2025	6,524,378
2026	(3,173,321)
2027	<u>22,050,257</u>
Total	<u>\$ 38,084,991</u>

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Payroll Growth	3.25%
Projected Salary Increase	4.25% – 8.25%, based on years of service (1)
Investment Rate of Return	6.75%
Mortality	Healthy: General Members: Pub-2010 General Healthy Retiree Amount-Weighted Mortality Tables (separate tables for males and females) with rates decreased by 5% for males and increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019 Safety and Probation Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019

(1) Includes inflation at 2.75% 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.



**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2022. 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, 2023.

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>	

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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)**

**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	\$ 351,742,296
Current Discount Rate	6.75%
Net Pension Liability	\$ 241,225,242
One Percent Increase	7.75%
Net Pension Liability	\$ 150,086,036

**Pension Plan Fiduciary Net Position**

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

**NOTE 10 CONTINGENCIES**

**A. Litigation**

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. 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, 2023, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

**COUNTY OF MENDOCINO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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 \$53,131.

**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 Public Risk Innovation, Solutions, and Management (PRISM), formerly known as CSAC Excess Insurance Authority.

This program is the only insurance program administered without the benefit of a third-party administrator.

The administration of this program is a joint effort between the Risk Management Division and the Office of the County Counsel. The liability for unpaid claims was based on actual outstanding claims at June 30, 2023, 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 \$994,760 includes incurred but not reported claims.

**C. Workers' Compensation**

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

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 RISK MANAGEMENT (CONTINUED)**

**D. Health Insurance**

The County is fully self-insured and administers the program. Effective January 1, 2023, the County became a member of PRISMHealth (PRISM), a Joint Powers Association (JPA) that provides a fully-funded medical program to its members. PRISM specializes in member directed risk pooling. Alliant is the County's broker/actuary of record. As the broker, Alliant reviews the health plan on an annual basis and assists the County to determine by how much County and employee share in premiums should be increased. The estimated claims liability at fiscal year-end was \$186,199.

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, 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>
Claims Liability, July 1, 2022	\$ 26,516	\$ 875,977	\$ 2,430,132	\$ 3,332,625
Current Year Claims and Changes in Estimates	158,150	764,591	18,558,639	19,481,380
Claims Payments	(131,535)	(645,808)	(20,802,572)	(21,579,915)
Claims Liability, June 30, 2023	<u>\$ 53,131</u>	<u>\$ 994,760</u>	<u>\$ 186,199</u>	<u>\$ 1,234,090</u>

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

The following funds reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2023:

Fund	Amount in Excess
Pension Obligation	\$ 4,333
Fish and Game	823
Miscellaneous Grants	1,027,675
Special Districts Lighting	4,166
Whole Person	71,943
Endowment	601,275

**COUNTY OF MENDOCINO  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 DEFICIT FUND BALANCE**

The following funds had deficit fund balances at June 30, 2023:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Opioid Settlement	\$ (22,434)
Capital Projects	(26,193)
Internal Service Funds:	
General Liability Insurance	(610,289)

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, 2023**

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

Last 10 Fiscal Years\*

	Reporting Fiscal Year (Measurement Date)									
	June 30, 2023 (June 30, 2022)	June 30, 2022 (June 30, 2021)	June 30, 2021 (June 30, 2020)	June 30, 2020 (June 30, 2019)	June 30, 2019 (June 30, 2018)	June 30, 2018 (June 30, 2017)	June 30, 2017 (June 30, 2016)	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014)	
County's Proportion of the Net Pension Liability	96.66%	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	\$ 241,225,242	\$ 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	\$ 78,512,481	\$ 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	307.24%	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	71.30%	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 (Measurement Date)									
	June 30, 2023	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	\$ 29,020,253	\$ 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	29,020,253	29,449,594	25,478,430	23,515,845	22,826,962	19,650,882	18,209,544	17,950,331	14,139,041	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's Covered Payroll	\$ 76,982,476	\$ 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	37.70%	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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 92,441,814	\$ 93,682,814	\$ 92,284,983	\$ (1,397,831)
Licenses and Permits	4,718,194	4,706,346	4,695,327	(11,019)
Fines, Forfeits, and Penalties	1,197,103	1,726,147	1,251,798	(474,349)
Revenue from Use of Money and Property	521,445	521,445	2,121,032	1,599,587
Intergovernmental	115,556,860	119,426,738	138,250,557	18,823,819
Charges for Services	14,837,915	14,760,992	14,335,071	(425,921)
Other Revenue	1,532,492	1,793,310	938,769	(854,541)
Total Revenues	230,805,823	236,617,792	253,877,537	17,259,745
<b>EXPENDITURES</b>				
Current:				
General Government:				
Assessor	2,280,568	2,340,431	2,154,610	185,821
Auditor-Controller	1,575,393	1,242,431	1,749,742	(507,311)
Board of Supervisors	1,008,646	1,035,718	893,917	141,801
Central Services	634,322	654,692	625,617	29,075
Clerk of the Board	508,921	514,600	461,130	53,470
Clerk-Recorder	378,445	393,647	460,780	(67,133)
County Clerk-Election	683,006	712,268	629,317	82,951
County Counsel	1,650,163	1,897,897	1,903,061	(5,164)
County Executive Office	1,410,558	1,863,785	1,680,637	183,148
Economic Development	669,000	827,933	879,754	(51,821)
Employee Wellness/Assistance	393,979	400,126	318,305	81,821
Facilities	5,131,027	5,429,530	6,103,344	(673,814)
Fiscal Services	-	-	50,509	(50,509)
Fleet Management	110,579	159,117	303,167	(144,050)
Grants Administration	-	297,000	57,863	239,137
Human Resources	1,673,400	1,918,068	1,890,944	27,124
Information Services	4,671,073	4,903,563	4,753,683	149,880
Local Comm Corr Realign 2011	-	-	125,000	(125,000)
Mental Health Realignment	-	-	700,066	(700,066)
Miscellaneous Budget	1,597,970	3,520,970	1,735,214	1,785,756
Non-Departmental Revenue	(3,400,000)	(3,400,000)	(3,478,496)	78,496
Payroll Administration	-	162,558	357,243	(194,685)
Retirement Administration	855,643	879,589	838,079	41,510
Transportation - Land Improvem	1,990,084	2,095,926	1,261,855	834,071
Treasurer-Tax Collector	1,039,415	1,059,796	866,598	193,198
Total General Government	24,862,192	28,909,645	27,321,939	1,587,706
Public Protection:				
Agriculture Dept	1,541,807	1,355,777	1,159,341	196,436
Alternate Defender	1,028,780	1,072,041	1,082,656	(10,615)
Animal Care	1,692,457	1,759,921	1,964,767	(204,846)
Cannabis Management	2,774,627	2,874,511	1,798,967	1,075,544
Child Support Services	2,531,717	2,607,324	2,500,029	107,295
Conflict Defender	350,000	350,000	283,375	66,625
Court Collections Program	853,913	862,656	915,763	(53,107)
District Attorney	7,645,664	7,822,940	7,110,671	712,269
Grand Jury	69,180	69,180	49,387	19,793
Jail And Rehabilitation Center	16,499,568	16,659,690	16,555,312	104,378

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

<b>EXPENDITURES (Continued)</b>	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Public Protection (Continued):</b>				
Juvenile Hall	\$ 2,705,681	\$ 2,932,944	\$ 2,513,559	\$ 419,385
Mobile Spay & Neuter Program	94,793	94,793	33,263	61,530
Office of Emergency Services	1,100,045	1,317,850	325,041	992,809
Planning & Building Services	7,314,604	8,032,367	7,263,537	768,830
Planning & Building - Spec Proj	427,500	452,500	67,637	384,863
Probation Officer	7,450,294	7,648,620	6,760,806	887,814
Public Defender	3,859,481	3,940,059	3,841,062	98,997
Sheriff - Coroner	25,097,510	26,234,721	26,621,689	(386,968)
Total Public Protection	83,037,621	86,087,894	80,846,862	5,241,032
<b>Public Ways and Facilities:</b>				
DOT - Little River Airport	342,988	342,988	159,017	183,971
DOT - Round Valley Airport	37,049	37,049	23,662	13,387
Total Public Ways and Facilities	380,037	380,037	182,679	197,358
<b>Health and Sanitation:</b>				
California Childrens Services	1,204,383	1,268,320	1,156,751	111,569
County Medical Services Prog	276,000	276,000	255,205	20,795
Emergency Medical Services	1,444,401	1,936,862	1,712,898	223,964
Employee Wellness/Assistance	23,665	23,665	16,968	6,697
Environmental Health	3,004,431	3,289,054	3,168,182	120,872
Landfill Closure	3,842,374	3,842,374	821,642	3,020,732
Public Health Administration	5,387,880	4,723,588	3,845,955	877,633
Public Health Nursing	3,443,323	4,485,242	3,607,964	877,278
Substance Use Disorder Treatmt	5,187,019	6,176,062	3,791,742	2,384,320
Transitional Housing	968,417	847,025	760,503	86,522
Transportation - Solid Waste	566,745	574,757	493,196	81,561
Total Health and Sanitation	25,348,638	27,442,949	19,631,006	7,811,943
<b>Public Assistance:</b>				
Calworks/Foster Care	28,186,476	28,186,476	25,896,529	2,289,947
General Relief	599,252	599,252	586,605	12,647
Health & Human Services Admin	-	-	5,388	(5,388)
In Home Support Services	6,395,287	6,395,287	6,617,464	(222,177)
Social Services Administration	58,585,925	58,654,700	52,898,159	5,756,541
Total Public Assistance	93,766,940	93,835,715	86,004,145	7,831,570
<b>Education:</b>				
Farm Advisor	259,712	272,827	231,875	40,952
Total Education	259,712	272,827	231,875	40,952
<b>Recreation and Culture:</b>				
Cultural Services	473,300	496,632	497,175	(543)
Parks	320,000	328,764	301,483	27,281
Total Recreation and Culture	793,300	825,396	798,658	26,738

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Debt Service:				
Principal	\$ 4,200,000	\$ 4,200,000	\$ 7,339,382	\$ (3,139,382)
Interest and Fiscal Charges	100,000	100,000	296,911	(196,911)
Total Debt Service	<u>4,300,000</u>	<u>4,300,000</u>	<u>7,636,293</u>	<u>(3,336,293)</u>
Capital Outlay:				
Capital Improvements	350,000	12,315,165	3,318,735	8,996,430
Total Capital Outlay	<u>350,000</u>	<u>12,315,165</u>	<u>3,318,735</u>	<u>8,996,430</u>
Total Expenditures	<u>233,098,440</u>	<u>254,369,628</u>	<u>225,972,192</u>	<u>23,156,404</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,292,617)	(17,751,836)	27,905,345	45,657,181
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,593,930	18,312,805	8,401,476	(9,911,329)
Transfers Out	<u>(9,984,195)</u>	<u>(18,060,658)</u>	<u>(32,756,674)</u>	<u>(14,696,016)</u>
Total Other Financing Sources (Uses)	<u>(2,390,265)</u>	<u>252,147</u>	<u>(24,355,198)</u>	<u>(24,607,345)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(4,682,882)	(17,499,689)	3,550,147	21,049,836
Budgetary Fund Balances - Beginning of Year	<u>62,570,772</u>	<u>62,570,772</u>	<u>62,570,772</u>	<u>-</u>
<b>BUDGETARY FUND BALANCES - END OF YEAR</b>	<u>\$ 57,887,890</u>	<u>\$ 45,071,083</u>	<u>\$ 66,120,919</u>	<u>\$ 21,049,836</u>

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

<b>Total Revenues from the Budgetary Comparison Schedule</b>	\$ 253,877,537
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>(6,733,662)</u>
<b>Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund</b>	<u>\$ 247,143,875</u>
Total expenditures from the budgetary comparison schedule	\$ 225,972,192
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,417,368)
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>(6,733,662)</u>
<b>Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund</b>	<u>\$ 212,821,162</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – MISCELLANEOUS GRANTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, Forfeitures, and Penalties	\$ 10,000	\$ -	\$ -	\$ -
Intergovernmental	15,465,564	6,145,896	10,824,519	4,678,623
Revenue from Use of Money and Property	-	43,046	(121,465)	(164,511)
Charges for Services	576,379	199,891	450,275	250,384
Other Revenues	292,235	13,735	219,253	205,518
Total Revenues	<u>16,344,178</u>	<u>6,402,568</u>	<u>11,372,582</u>	<u>4,970,014</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	3,522,227	4,166,018	1,838,936	2,327,082
Health and Sanitation	10,335,679	3,674,624	3,602,700	71,924
Public Assistance	3,037,059	47,663	3,474,344	(3,426,681)
Recreation and Culture	-	-	225	(225)
Total Expenditures	<u>16,894,965</u>	<u>7,888,305</u>	<u>8,916,205</u>	<u>(1,027,675)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(550,787)	(1,485,737)	2,456,377	3,942,339
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	119,822	77,393	129,670	52,277
Transfers Out	(45,659)	(344,638)	(624,947)	(280,309)
Total Other Financing Sources (Uses)	<u>74,163</u>	<u>(267,245)</u>	<u>(495,277)</u>	<u>(228,032)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(476,624)	(1,752,982)	1,961,100	3,714,307
Fund Balances - Beginning of Year	<u>3,787,906</u>	<u>3,787,906</u>	<u>3,787,906</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,311,282</u>	<u>\$ 2,034,924</u>	<u>\$ 5,749,006</u>	<u>\$ 3,714,307</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH SERVICES FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ 12,584	\$ 12,584	\$ 107,741	\$ 95,157
Intergovernmental	31,214,810	35,000,450	15,054,259	(19,946,191)
Charges for Services	3,077,069	3,077,069	2,022,009	(1,055,060)
Other Revenues	400,000	597,962	121,519	(476,443)
Total Revenues	<u>34,704,463</u>	<u>38,688,065</u>	<u>17,305,528</u>	<u>(21,382,537)</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	35,912,131	40,091,602	32,348,418	7,743,184
Debt Service:				
Principal	-	-	108,773	(108,773)
Total Expenditures	<u>35,912,131</u>	<u>40,091,602</u>	<u>32,457,191</u>	<u>7,634,411</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>				
	(1,207,668)	(1,403,537)	(15,151,663)	(13,748,126)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	300,000	430,558	14,704,072	14,273,514
Transfers Out	(42,600)	(42,600)	(247,511)	(204,911)
Total Other Financing Sources (Uses)	<u>257,400</u>	<u>387,958</u>	<u>14,456,561</u>	<u>14,068,603</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(950,268)	(1,015,579)	(695,102)	320,477
Fund Balances - Beginning of Year	<u>7,945,317</u>	<u>7,945,317</u>	<u>7,945,317</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,995,049</u>	<u>\$ 6,929,738</u>	<u>\$ 7,250,215</u>	<u>\$ 320,477</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – ROAD FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Licenses, Permits, and Franchises	56,000	56,000	73,664	17,664
Revenue from Use of Money and Property	10,000	10,000	(5,954)	(15,954)
Fines, Forfeitures, and Penalties	15,000	15,000	8,258	(6,742)
Intergovernmental	18,042,518	18,042,518	13,001,328	(5,041,190)
Charges for Services	142,425	142,425	243,513	101,088
Other Revenues	12,875	12,875	1,449	(11,426)
Total Revenues	<u>18,338,818</u>	<u>18,338,818</u>	<u>13,382,258</u>	<u>(4,956,560)</u>
<b>EXPENDITURES</b>				
Current:				
Public Ways and Facilities	<u>22,723,066</u>	<u>23,009,085</u>	<u>16,060,533</u>	<u>6,948,552</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(4,384,248)	(4,670,267)	(2,678,275)	1,991,992
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	4,039,041	4,302,373	4,183,822	(118,551)
Transfers Out	(60,000)	(60,000)	(294,235)	(234,235)
Total Other Financing Sources (Uses)	<u>3,979,041</u>	<u>4,242,373</u>	<u>3,889,587</u>	<u>(352,786)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(405,207)	(427,894)	1,211,312	1,639,206
Fund Balances - Beginning of Year	<u>8,695,201</u>	<u>8,695,201</u>	<u>8,695,201</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,289,994</u>	<u>\$ 8,267,307</u>	<u>\$ 9,906,513</u>	<u>\$ 1,639,206</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH TREATMENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 8,000,000	\$ 8,000,000	\$ 8,067,212	\$ 67,212
Revenue from Use of Money and Property	202,212	202,212	230,162	27,950
Charges for Services	2,800	2,800	83,860	81,060
Total Revenues	<u>8,205,012</u>	<u>8,205,012</u>	<u>8,381,234</u>	<u>176,222</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	<u>1,333,234</u>	<u>1,333,234</u>	<u>633,339</u>	<u>699,895</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	6,871,778	6,871,778	7,747,895	176,222
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(2,556,248)</u>	<u>(2,556,248)</u>	<u>(886,405)</u>	<u>1,669,843</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,315,530	4,315,530	6,861,490	1,846,065
Fund Balances - Beginning of Year	<u>34,486,702</u>	<u>34,486,702</u>	<u>34,486,702</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 38,802,232</u>	<u>\$ 38,802,232</u>	<u>\$ 41,348,192</u>	<u>\$ 1,846,065</u>

See accompanying Notes to Required Supplementary Information.



**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – CANNABIS GRANTS FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 5,199,546	\$ 5,199,546
Revenue from Use of Money and Property	-	-	93,485	93,485
Total Revenues	<u>-</u>	<u>-</u>	<u>5,293,031</u>	<u>5,293,031</u>
<b>EXPENDITURES</b>				
Current:				
Public Assistance	<u>10,802,488</u>	<u>10,809,488</u>	<u>5,646,882</u>	<u>5,162,606</u>
<b>NET CHANGE IN FUND BALANCES</b>	(10,802,488)	(10,809,488)	(353,851)	10,455,637
Fund Balances - Beginning of Year	<u>1,768,913</u>	<u>1,768,913</u>	<u>1,768,913</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (9,033,575)</u>	<u>\$ (9,040,575)</u>	<u>\$ 1,415,062</u>	<u>\$ 10,455,637</u>

*See accompanying Notes to Required Supplementary Information.*

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – DISASTER RECOVERY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 12,283,257	\$ 19,327,021	\$ 14,037,139	\$ (5,289,882)
Charges for Services	-	-	7,115	7,115
Revenue from Use of Money and Property	-	-	(95,453)	(95,453)
Other Revenue	-	-	235,003	235,003
Total Revenues	<u>12,283,257</u>	<u>19,327,021</u>	<u>14,183,804</u>	<u>(5,143,217)</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>19,297,142</u>	<u>17,286,580</u>	<u>5,426,931</u>	<u>11,859,649</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,013,885)	2,040,441	8,756,873	6,716,432
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	400,000	420,838	437,324	16,486
Transfers Out	<u>(4,142,624)</u>	<u>(15,288,849)</u>	<u>(8,104,332)</u>	<u>7,184,517</u>
Total Other Financing Sources (Uses)	<u>(3,742,624)</u>	<u>(14,868,011)</u>	<u>(7,667,008)</u>	<u>7,201,003</u>
<b>NET CHANGE IN FUND BALANCES</b>	(10,756,509)	(12,827,570)	1,089,865	13,917,435
Fund Balances - Beginning of Year	<u>7,218,409</u>	<u>7,218,409</u>	<u>7,218,409</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (3,538,100)</u>	<u>\$ (5,609,161)</u>	<u>\$ 8,308,274</u>	<u>\$ 13,917,435</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MENDOCINO  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2023**

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Revenue from Use of Money and Property	(5,000)	(5,000)	253,757	258,757
Fines, Forfeitures, and Penalties	6,000	6,000	9,060	3,060
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>262,817</u>	<u>241,817</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,600	3,600	46,132	(42,532)
Debt Service:				
Principal	1,325,000	1,325,000	-	1,325,000
Interest	545,000	913,827	623,468	290,359
Issuance Costs	-	-	378,793	(378,793)
Total Expenditures	<u>1,873,600</u>	<u>2,242,427</u>	<u>1,048,393</u>	<u>1,194,034</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(1,852,600)	(2,221,427)	(785,576)	1,435,851
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issued	-	-	20,855,000	20,855,000
Premium on Debt Issued	-	-	1,642,106	1,642,106
Payment to Refunded Escrow Agent	-	-	(13,637,240)	(13,637,240)
Transfers In	1,852,600	2,221,427	2,217,754	(3,673)
Transfers Out	-	(1,369,552)	(32,623)	1,336,929
Total Other Financing Sources (Uses)	<u>1,852,600</u>	<u>851,875</u>	<u>11,044,997</u>	<u>10,193,122</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(1,369,552)	10,259,421	11,628,973
Fund Balances - Beginning of Year	<u>2,020,631</u>	<u>2,020,631</u>	<u>2,020,631</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,020,631</u>	<u>\$ 651,079</u>	<u>\$ 12,280,052</u>	<u>\$ 11,628,973</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – PENSION OBLIGATION BOND FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ (30,000)	\$ (30,000)	\$ (38,143)	\$ (8,143)
Other Revenues	-	-	558,785	558,785
Total Revenues	<u>(30,000)</u>	<u>(30,000)</u>	<u>520,642</u>	<u>550,642</u>
<b>EXPENDITURES</b>				
Current:				
General Government	4,000	4,000	8,333	(4,333)
Debt Service:				
Principal	6,055,000	6,055,000	6,055,000	-
Interest	1,774,640	1,774,640	1,774,640	-
Total Expenditures	<u>7,833,640</u>	<u>7,833,640</u>	<u>7,837,973</u>	<u>(4,333)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(7,863,640)	(7,863,640)	(7,317,331)	546,309
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>7,863,640</u>	<u>7,863,640</u>	<u>7,249,483</u>	<u>(614,157)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(67,848)	(67,848)
Fund Balances - Beginning of Year	<u>8,017,176</u>	<u>8,017,176</u>	<u>8,017,176</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,017,176</u>	<u>\$ 8,017,176</u>	<u>\$ 7,949,328</u>	<u>\$ (67,848)</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**

- **COPS AB 1913 (CONTINUED)**

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.

- **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.

- **OPIOID SETTLEMENT**

The Opioid Settlement fund accounts for opioid settlement funded activities.

- **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**

- **SPECIAL DISTRICTS OTHER (CONTINUED)**

- 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

- **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.

3. CAPITAL PROJECTS (BU 1713)

This fund provides for the construction of major capital facilities projects. Currently, these funds are reserved exclusively for the Mental Health Treatment Act (Measure B) approved capital facility projects.

4. CAPITAL PROJECTS (BU1714)

This fund provides for the targeted purchase and construction of capital facilities and projects. The funds are currently reserved for the continued upgrade and refurbishment of the Live Oak Apartments project, formerly known as Project Homekey. Since 2021, this project has been funded by the State of California to provide transitional housing to those who are in danger of becoming homeless.

5. CAPITAL PROJECTS (BU1715)

This fund provides for the long-term improvements to the library's land, buildings, equipment, and software. Forty percent of the proceeds from the .25 percent sales tax ordinance passed in 2022 is deposited into this account, and there may be grant funds for capital investments included as well.

**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, 2023**

	Special Revenue			Supplemental Law Enforcement
	Library	Fish and Game	Special Aviation	
<b>ASSETS</b>				
Cash and Investments in County				
Treasury	\$ 1,141,847	\$ 128,663	\$ 175,960	\$ 516,234
Imprest Cash	395	-	-	-
Accounts Receivable	91,174	-	-	-
Taxes Receivable	425,359	-	-	-
Due from Other Governmental Agencies	518,500	-	-	-
Total Assets	<u>\$ 2,177,275</u>	<u>\$ 128,663</u>	<u>\$ 175,960</u>	<u>\$ 516,234</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 169,139	\$ 37	\$ -	\$ 73,141
Accrued Salaries and Benefits	59,180	-	-	2,067
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>228,319</u>	<u>37</u>	<u>-</u>	<u>75,208</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	89,776	-	-	-
<b>FUND BALANCE</b>				
Restricted	1,859,180	128,626	175,960	441,026
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,859,180</u>	<u>128,626</u>	<u>175,960</u>	<u>441,026</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,177,275</u>	<u>\$ 128,663</u>	<u>\$ 175,960</u>	<u>\$ 516,234</u>

**COUNTY OF MENDOCINO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2023**

	Special Revenue (Continued)			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
<b>ASSETS</b>				
Cash and Investments in County				
Treasury	\$ 858,179	\$ 135,876	\$ 277,987	\$ 101,474
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	367	62
Taxes Receivable	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
Total Assets	<u>\$ 858,179</u>	<u>\$ 135,876</u>	<u>\$ 278,354</u>	<u>\$ 101,536</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 811
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	-	-	-	811
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>FUND BALANCE</b>				
Restricted	858,179	135,876	278,354	100,725
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>858,179</u>	<u>135,876</u>	<u>278,354</u>	<u>100,725</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 858,179</u>	<u>\$ 135,876</u>	<u>\$ 278,354</u>	<u>\$ 101,536</u>

**COUNTY OF MENDOCINO  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

	Special Revenue (Continued)		
	Special Districts Lighting	Opioid Settlement	Special Districts Other
	<b>ASSETS</b>		
Cash and Investments in County			
Treasury	\$ 629,807	\$ 802,516	\$ 302,680
Imprest Cash	-	-	200
Accounts Receivable	-	-	-
Taxes Receivable	-	-	-
Due from Other Governmental Agencies	-	-	-
	-	-	-
Total Assets	\$ 629,807	\$ 802,516	\$ 302,880
<b>LIABILITIES</b>			
Accounts Payable	\$ 630	\$ -	\$ 63,833
Accrued Salaries and Benefits	-	-	10,288
Due to Other Funds	-	-	-
Unearned Revenue	-	821,168	-
Total Liabilities	630	821,168	74,121
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	-
<b>FUND BALANCE</b>			
Restricted	629,177	-	228,759
Assigned	-	-	-
Unassigned	-	(18,652)	-
Total Fund Balances	629,177	(18,652)	228,759
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 629,807	\$ 802,516	\$ 302,880

**COUNTY OF MENDOCINO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2023**

	Special Revenue (Continued)			
	Inter- governmental Transfer	Whole Person Care	Fire	Enforcement- Cannabis
<b>ASSETS</b>				
Cash and Investments in County				
Treasury	\$ 11,221,094	\$ 1,393,310	\$ 1,610,424	\$ 484,467
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
Total Assets	<u>\$ 11,221,094</u>	<u>\$ 1,393,310</u>	<u>\$ 1,610,424</u>	<u>\$ 484,467</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,625	\$ 2,112	\$ 1,414,138	\$ -
Accrued Salaries and Benefits	-	5,703	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>7,625</u>	<u>7,815</u>	<u>1,414,138</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
<b>FUND BALANCE</b>				
Restricted	11,213,469	1,385,495	196,286	484,467
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>11,213,469</u>	<u>1,385,495</u>	<u>196,286</u>	<u>484,467</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,221,094</u>	<u>\$ 1,393,310</u>	<u>\$ 1,610,424</u>	<u>\$ 484,467</u>

**COUNTY OF MENDOCINO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2023**

	<u>Capital Projects</u>	<u>Permanent Fund Endowment Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments in County			
Treasury	\$ 4,551,176	\$ 432,445	\$ 24,764,139
Imprest Cash	-	-	595
Accounts Receivable	24,091	-	115,694
Taxes Receivable	-	-	425,359
Due from Other Governmental Agencies	-	-	518,500
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 4,575,267</u>	<u>\$ 432,445</u>	<u>\$ 25,824,287</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 155,231	\$ -	\$ 1,886,697
Accrued Salaries and Benefits	-	-	77,238
Due to Other Funds	26,193	-	26,193
Unearned Revenue	-	-	821,168
Total Liabilities	<u>181,424</u>	<u>-</u>	<u>2,811,296</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	24,091	-	113,867
<b>FUND BALANCE</b>			
Restricted	-	432,445	18,548,024
Assigned	4,397,743	-	4,397,743
Unassigned	(27,991)	-	(46,643)
Total Fund Balances	<u>4,369,752</u>	<u>432,445</u>	<u>22,899,124</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,575,267</u>	<u>\$ 432,445</u>	<u>\$ 25,824,287</u>

**COUNTY OF MENDOCINO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
<b>REVENUES</b>				
Taxes	\$ 3,070,185	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from Other Governmental Agencies	67,438	-	25,000	206,419
Revenue from Use of Money and Property	20,812	1,087	(1,486)	3,422
Fines, Forfeitures, and Penalties	-	5,475	-	-
Charges for Services	16,573	-	-	-
Other Revenue	7,653	-	-	-
Total Revenues	<u>3,182,661</u>	<u>6,562</u>	<u>23,514</u>	<u>209,841</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	1,660	-	195,477
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Education	4,393,859	-	-	-
Debt Service:				
Principal	46,210	-	-	-
Interest	666	-	-	-
Capital Outlay	56,616	-	-	-
Total Expenditures	<u>4,497,351</u>	<u>1,660</u>	<u>-</u>	<u>195,477</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,314,690)	4,902	23,514	14,364
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issued	56,616	-	-	-
Transfers In	1,584,854	-	-	4,372
Transfers Out	(597,984)	-	-	(5,555)
Total Other Financing Sources (Uses)	<u>1,043,486</u>	<u>-</u>	<u>-</u>	<u>(1,183)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(271,204)	4,902	23,514	13,181
Fund Balances - Beginning of Year	<u>2,130,384</u>	<u>123,724</u>	<u>152,446</u>	<u>427,845</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,859,180</u>	<u>\$ 128,626</u>	<u>\$ 175,960</u>	<u>\$ 441,026</u>



**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue (Continued)			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from Other Governmental Agencies	245,980	75,825	-	-
Revenue from Use of Money and Property	4,080	(1,112)	1,508	778
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	63,087	11,786
Other Revenue	-	24,778	-	14,662
Total Revenues	<u>250,060</u>	<u>99,491</u>	<u>64,595</u>	<u>27,226</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	9,417
Public Protection	48,306	21,695	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Education	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>48,306</u>	<u>21,695</u>	<u>-</u>	<u>9,417</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	201,754	77,796	64,595	17,809
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issued	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	201,754	77,796	64,595	17,809
Fund Balances - Beginning of Year	<u>656,425</u>	<u>58,080</u>	<u>213,759</u>	<u>82,916</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 858,179</u>	<u>\$ 135,876</u>	<u>\$ 278,354</u>	<u>\$ 100,725</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue (Continued)		
	Special Districts Lighting	Opioid Settlement	Special Districts Other
<b>REVENUES</b>			
Taxes	\$ 93,726	\$ -	\$ 184,650
Licenses, Permits, and Franchises	-	-	375,064
Aid from Other Governmental Agencies	648	-	339,399
Revenue from Use of Money and Property	(4,311)	(18,652)	(20,878)
Fines, Forfeitures, and Penalties	-	-	275
Charges for Services	-	-	254,472
Other Revenue	-	-	290
Total Revenues	<u>90,063</u>	<u>(18,652)</u>	<u>1,133,272</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Protection	-	-	395,453
Public Ways and Facilities	53,016	-	-
Health and Sanitation	-	-	844,776
Education	-	-	-
Debt Service:			
Principal	-	-	29,436
Interest	-	-	35
Capital Outlay	-	-	-
Total Expenditures	<u>53,016</u>	<u>-</u>	<u>1,269,700</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	37,047	(18,652)	(136,428)
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Issued	-	-	-
Transfers In	-	-	769,758
Transfers Out	-	-	(27,186)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>742,572</u>
<b>NET CHANGE IN FUND BALANCES</b>	37,047	(18,652)	606,144
Fund Balances - Beginning of Year	<u>592,130</u>	<u>-</u>	<u>(377,385)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 629,177</u>	<u>\$ (18,652)</u>	<u>\$ 228,759</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue (Continued)			
	Inter- governmental Transfer	Whole Person Care	Fire	Enforcement- Cannabis
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from Other Governmental Agencies	4,535,053	-	-	-
Revenue from Use of Money and Property	(146,026)	(13,593)	(34,127)	12,100
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	4,467	187,435	-	-
Other Revenue	-	-	-	-
Total Revenues	<u>4,393,494</u>	<u>173,842</u>	<u>(34,127)</u>	<u>12,100</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	1,555,888	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	1,902,157	459,227	-	-
Education	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,902,157</u>	<u>459,227</u>	<u>1,555,888</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,491,337	(285,385)	(1,590,015)	12,100
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issued	-	-	-	-
Transfers In	1,879,532	757,983	1,789,114	-
Transfers Out	(2,719,680)	(13,651)	-	(562,059)
Total Other Financing Sources (Uses)	<u>(840,148)</u>	<u>744,332</u>	<u>1,789,114</u>	<u>(562,059)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,651,189	458,947	199,099	(549,959)
Fund Balances - Beginning of Year	<u>9,562,280</u>	<u>926,548</u>	<u>(2,813)</u>	<u>1,034,426</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 11,213,469</u>	<u>\$ 1,385,495</u>	<u>\$ 196,286</u>	<u>\$ 484,467</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Capital Projects	Permanent Fund Endowment Funds	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 3,348,561
Licenses, Permits, and Franchises	-	-	375,064
Aid from Other Governmental			
Agencies	-	500,000	5,995,762
Revenue from Use of Money and			
Property	(44,780)	9,261	(231,917)
Fines, Forfeitures, and Penalties	-	-	5,750
Charges for Services	-	-	537,820
Other Revenue	-	-	47,383
Total Revenues	(44,780)	509,261	10,078,423
<b>EXPENDITURES</b>			
Current:			
General Government	-	601,275	610,692
Public Protection	-	-	2,218,479
Public Ways and Facilities	-	-	53,016
Health and Sanitation	-	-	3,206,160
Education	-	-	4,393,859
Debt Service:			
Principal	-	-	75,646
Interest	-	-	701
Capital Outlay	2,439,504	-	2,496,120
Total Expenditures	2,439,504	601,275	13,054,673
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,484,284)	(92,014)	(2,976,250)
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Issued	-	-	56,616
Transfers In	6,201,413	-	12,987,026
Transfers Out	(1,005,489)	-	(4,931,604)
Total Other Financing Sources (Uses)	5,195,924	-	8,112,038
<b>NET CHANGE IN FUND BALANCES</b>	2,711,640	(92,014)	5,135,788
Fund Balances - Beginning of Year	1,658,112	524,459	17,763,336
<b>FUND BALANCES - END OF YEAR</b>	\$ 4,369,752	\$ 432,445	\$ 22,899,124

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,962,795	\$ 2,962,795	\$ 3,070,185	\$ 107,390
Revenue from Use of Money and Property	15,000	15,000	20,812	5,812
Intergovernmental	64,209	154,577	67,438	(87,139)
Charges for Services	15,000	15,000	16,573	1,573
Other Revenues	5,200	5,200	7,653	2,453
Total Revenues	<u>3,062,204</u>	<u>3,152,572</u>	<u>3,182,661</u>	<u>30,089</u>
<b>EXPENDITURES</b>				
Current:				
Education	4,533,831	4,838,831	4,393,859	444,972
Debt Service:				
Principal	-	-	46,210	(46,210)
Interest	-	-	666	(666)
Total Expenditures	<u>4,533,831</u>	<u>4,838,831</u>	<u>4,440,735</u>	<u>398,096</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	(1,471,627)	(1,686,259)	(1,258,074)	428,185
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,435,571	1,584,854	1,584,854	-
Transfers Out	-	-	(597,984)	(597,984)
Total Other Financing Sources (Uses)	<u>1,435,571</u>	<u>1,584,854</u>	<u>986,870</u>	<u>(597,984)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(36,056)	(101,405)	(271,204)	(169,799)
Fund Balances - Beginning of Year	<u>2,130,384</u>	<u>2,130,384</u>	<u>2,130,384</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,094,328</u>	<u>\$ 2,028,979</u>	<u>\$ 1,859,180</u>	<u>\$ (169,799)</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – FISH AND GAME FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ 500	\$ 500	\$ 1,087	\$ 587
Fines, Forfeitures, and Penalties	3,500	3,500	5,475	1,975
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>6,562</u>	<u>2,562</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>837</u>	<u>837</u>	<u>1,660</u>	<u>(823)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,163	3,163	4,902	1,739
Fund Balances - Beginning of Year	<u>123,724</u>	<u>123,724</u>	<u>123,724</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 126,887</u>	<u>\$ 126,887</u>	<u>\$ 128,626</u>	<u>\$ 1,739</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – SUPPLEMENTAL LAW ENFORCEMENT FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ 1,500	\$ 1,500	\$ 3,422	\$ 1,922
Intergovernmental	162,000	162,000	206,419	44,419
Total Revenues	<u>163,500</u>	<u>163,500</u>	<u>209,841</u>	<u>46,341</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>241,000</u>	<u>260,898</u>	<u>195,477</u>	<u>65,421</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(77,500)	(97,398)	14,364	111,762
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	4,372	4,372	-
Transfers Out	-	-	(5,555)	(5,555)
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,372</u>	<u>(1,183)</u>	<u>(5,555)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(77,500)	(93,026)	13,181	106,207
Fund Balances - Beginning of Year	<u>427,845</u>	<u>427,845</u>	<u>427,845</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 350,345</u>	<u>\$ 334,819</u>	<u>\$ 441,026</u>	<u>\$ 106,207</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – COPS AB 1913 FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 4,080	\$ 4,080
Intergovernmental	230,000	230,000	245,980	15,980
Total Revenues	<u>230,000</u>	<u>230,000</u>	<u>250,060</u>	<u>20,060</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>287,762</u>	<u>287,762</u>	<u>48,306</u>	<u>239,456</u>
<b>NET CHANGE IN FUND BALANCES</b>	(57,762)	(57,762)	201,754	259,516
Fund Balances - Beginning of Year	<u>656,425</u>	<u>656,425</u>	<u>656,425</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 598,663</u>	<u>\$ 598,663</u>	<u>\$ 858,179</u>	<u>\$ 259,516</u>



**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – SHERIFF SPECIAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Aid from Other Governmental Agencies	\$ -	\$ -	\$ 75,825	\$ 75,825
Revenue from Use of Money and Property	150	150	(1,112)	(1,262)
Other Revenues	1,400	1,400	24,778	23,378
Total Revenues	<u>1,550</u>	<u>1,550</u>	<u>99,491</u>	<u>97,941</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	<u>50,900</u>	<u>50,900</u>	<u>21,695</u>	<u>29,205</u>
<b>NET CHANGE IN FUND BALANCES</b>	(49,350)	(49,350)	77,796	127,146
Fund Balances - Beginning of Year	<u>58,080</u>	<u>58,080</u>	<u>58,080</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,730</u>	<u>\$ 8,730</u>	<u>\$ 135,876</u>	<u>\$ 127,146</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – RECORDER MODERNIZATION FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ 650	\$ 650	\$ 1,508	\$ 858
Charges for Services	78,500	78,500	63,087	(15,413)
Total Revenues	<u>79,150</u>	<u>79,150</u>	<u>64,595</u>	<u>(14,555)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	79,150	79,150	64,595	(14,555)
Fund Balances - Beginning of Year	<u>213,759</u>	<u>213,759</u>	<u>213,759</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 292,909</u>	<u>\$ 292,909</u>	<u>\$ 278,354</u>	<u>\$ (14,555)</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – MICROGRAPHICS FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ 100	\$ 100	\$ 778	\$ 678
Charges for Services	-	-	11,786	11,786
Other Revenues	20,000	20,000	14,662	(5,338)
Total Revenues	20,100	20,100	27,226	7,126
<b>EXPENDITURES</b>				
Current:				
General Government	10,000	10,000	9,417	583
<b>NET CHANGE IN FUND BALANCES</b>	10,100	10,100	17,809	7,709
Fund Balances - Beginning of Year	82,916	82,916	82,916	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 93,016</u>	<u>\$ 93,016</u>	<u>\$ 100,725</u>	<u>\$ 7,709</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS LIGHTING FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 97,650	\$ 97,650	\$ 93,726	\$ (3,924)
Intergovernmental	690	690	648	(42)
Revenue from Use of Money and Property	50	50	(4,311)	(4,361)
Total Revenues	<u>98,390</u>	<u>98,390</u>	<u>90,063</u>	<u>(8,327)</u>
<b>EXPENDITURES</b>				
Current:				
Public Ways and Facilities	<u>48,850</u>	<u>48,850</u>	<u>53,016</u>	<u>(4,166)</u>
<b>NET CHANGE IN FUND BALANCES</b>	49,540	49,540	37,047	(12,493)
Fund Balances - Beginning of Year	<u>592,130</u>	<u>592,130</u>	<u>592,130</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 641,670</u>	<u>\$ 641,670</u>	<u>\$ 629,177</u>	<u>\$ (12,493)</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – OPIOID SETTLEMENT FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ -	\$ -	\$ (18,652)	\$ (18,652)
Other Revenue	-	821,168	-	(821,168)
Total Revenues	-	821,168	(18,652)	(839,820)
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	821,168	(18,652)	(839,820)
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 821,168</u>	<u>\$ (18,652)</u>	<u>\$ (839,820)</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS OTHER FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 160,710	\$ 160,710	\$ 184,650	\$ 23,940
Licenses, Permits, and Franchises	357,654	357,654	375,064	17,410
Revenue from Use of Money and Property	4,505	4,505	(20,878)	(25,383)
Fines, Forfeitures, and Penalties	5,200	5,200	275	(4,925)
Intergovernmental	770,820	80,520	339,399	258,879
Charges for Services	255,564	1,005,374	254,472	(750,902)
Other Revenues	2,555	2,555	290	(2,265)
Total Revenues	<u>1,557,008</u>	<u>1,616,518</u>	<u>1,133,272</u>	<u>(483,246)</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	307,063	580,063	395,453	184,610
Health and Sanitation	1,363,573	1,098,505	844,776	253,729
Debt Service:				
Principal	-	-	29,436	(29,436)
Interest	-	-	35	(35)
Total Expenditures	<u>1,670,636</u>	<u>1,678,568</u>	<u>1,269,700</u>	<u>408,868</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>				
	(113,628)	(62,050)	(136,428)	(74,378)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	115,863	407,295	769,758	(74,378)
Transfers Out	-	-	(27,186)	(27,186)
Total Other Financing Sources (Uses)	<u>115,863</u>	<u>407,295</u>	<u>742,572</u>	<u>(101,564)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	2,235	345,245	606,144	(175,942)
Fund Balances - Beginning of Year	<u>(377,385)</u>	<u>(377,385)</u>	<u>(377,385)</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (375,150)</u>	<u>\$ (32,140)</u>	<u>\$ 228,759</u>	<u>\$ (175,942)</u>

**COUNTY OF MENDOCINO**  
**BUDGETARY COMPARISON SCHEDULE – INTER-GOVERNMENTAL TRANSFERS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,105,810	\$ 3,889,810	\$ 4,535,053	\$ 645,243
Revenue from Use of Money and Property	-	-	(146,026)	(146,026)
Charges for Services	-	-	4,467	4,467
Total Revenues	<u>3,105,810</u>	<u>3,889,810</u>	<u>4,393,494</u>	<u>645,243</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	<u>1,400,300</u>	<u>2,184,300</u>	<u>1,902,157</u>	<u>282,143</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,705,510	1,705,510	2,491,337	927,386
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,879,532	1,879,532
Transfers Out	<u>(3,246,556)</u>	<u>(4,083,731)</u>	<u>(2,719,680)</u>	<u>1,364,051</u>
Total Other Financing Sources (Uses)	<u>(3,246,556)</u>	<u>(4,083,731)</u>	<u>(840,148)</u>	<u>3,243,583</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,541,046)	(2,378,221)	1,651,189	4,170,969
Fund Balances - Beginning of Year	<u>9,562,280</u>	<u>9,562,280</u>	<u>9,562,280</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,021,234</u>	<u>\$ 7,184,059</u>	<u>\$ 11,213,469</u>	<u>\$ 4,170,969</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – WHOLE PERSON CARE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ -	\$ -	\$ (13,593)	\$ (13,593)
Charges for Services	84,205	116,578	187,435	70,857
<b>Total Revenues</b>	<u>84,205</u>	<u>116,578</u>	<u>173,842</u>	<u>57,264</u>
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	228,276	387,284	459,227	(71,943)
<b>Total Expenditures</b>	<u>228,276</u>	<u>387,284</u>	<u>459,227</u>	<u>(71,943)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(144,071)	(270,706)	(285,385)	(14,679)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	7,601	757,983	750,382
Transfers Out	-	-	(13,651)	(13,651)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>7,601</u>	<u>744,332</u>	<u>736,731</u>
<b>NET CHANGE IN FUND BALANCES</b>	(144,071)	(263,105)	458,947	722,052
Fund Balances - Beginning of Year	<u>926,548</u>	<u>926,548</u>	<u>926,548</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 782,477</u>	<u>\$ 663,443</u>	<u>\$ 1,385,495</u>	<u>\$ 722,052</u>



**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – FIRE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ -	\$ -	\$ (34,127)	\$ (34,127)
<b>EXPENDITURES</b>				
Current:				
Public Protection	700,000	700,000	1,555,888	(855,888)
Total Expenditures	700,000	700,000	1,555,888	(855,888)
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(700,000)	(700,000)	(1,590,015)	(890,015)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	700,000	1,941,000	1,789,114	(151,886)
<b>NET CHANGE IN FUND BALANCES</b>	-	1,241,000	199,099	(1,041,901)
Fund Balances - Beginning of Year	(2,813)	(2,813)	(2,813)	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (2,813)</u>	<u>\$ 1,238,187</u>	<u>\$ 196,286</u>	<u>\$ (1,041,901)</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – ENFORCEMENT CANNABIS FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Aid from Other Governmental Agencies	\$ -	\$ -	\$ 12,100	\$ 12,100
<b>EXPENDITURES</b>				
Current:				
Public Protection	-	-	-	-
Total Expenditures	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	12,100	12,100
<b>OTHER FINANCING USES</b>				
Transfers Out	(500,000)	(562,059)	(562,059)	-
<b>NET CHANGE IN FUND BALANCES</b>	(500,000)	(562,059)	(549,959)	12,100
Fund Balances - Beginning of Year	1,034,426	1,034,426	1,034,426	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 534,426</u>	<u>\$ 472,367</u>	<u>\$ 484,467</u>	<u>\$ 12,100</u>

**COUNTY OF MENDOCINO  
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ -	\$ -	\$ (44,780)	\$ (44,780)
Intergovernmental	-	3,750,000	-	(3,750,000)
Total Revenues	-	3,750,000	(44,780)	(3,794,780)
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	3,419,563	7,984,756	2,439,504	5,545,252
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(3,419,563)	(4,234,756)	(2,484,284)	1,750,472
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,052,563	7,502,756	6,201,413	1,301,343
Transfers Out	-	-	(1,005,489)	1,005,489
Total Other Financing Sources (Uses)	3,052,563	7,502,756	5,195,924	2,306,832
<b>NET CHANGE IN FUND BALANCES</b>	(367,000)	3,268,000	2,711,640	4,057,304
Fund Balances - Beginning of Year	1,658,112	1,658,112	1,658,112	-
<b>FUND BALANCES - END OF YEAR</b>	\$ 1,291,112	\$ 4,926,112	\$ 4,369,752	\$ 4,057,304



**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 Executive Office. This fund supports the County's medical and prescription drug plan benefits obtained through PRISM. Dental is self-funded through Delta Dental and Vision is fully insured through Vision Service Plan. The Employee Self-Insured Health Plan fund also supports:

- CompleteCare, a medical expense reimbursement program for employees with access to an alternate group health plan;
- 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 employees enrolled in the health plan and their eligible dependents 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, and accidental death & dismemberment insurance; and
- a Section 125 Plan (tax-deferred, flexible spending plan).



**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS**  
**JUNE 30, 2023**

	<u>Software Acquisition</u>	<u>Vehicle Replacement</u>	<u>Unemployment Insurance</u>	<u>General Liability Insurance</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Pooled Cash and Investments in County Treasury	\$ 5,527,351	\$ 389,998	\$ 787,790	\$ 636,826
Other Cash	-	-	-	-
Accounts Receivable	314	30,592	-	-
Due from Other Governments	813	11,915	-	-
Total Current Assets	<u>5,528,478</u>	<u>432,505</u>	<u>787,790</u>	<u>636,826</u>
<b>NONCURRENT ASSETS</b>				
Capital Assets:				
Nondepreciable	2,972,299	-	-	-
Depreciable, Net	1,783,636	611,537	-	-
Lease Assets, Net	2,005,507	-	-	-
SBITA Assets, Net	1,930,973	-	-	-
Total Noncurrent Assets	<u>8,692,415</u>	<u>611,537</u>	<u>-</u>	<u>-</u>
Total Assets	14,220,893	1,044,042	787,790	636,826
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	703,718	-	-	225,062
Accrued Salaries and Benefits	-	-	-	2,408
Compensated Absences Payable	-	-	-	24,885
Liability for Unpaid Claims	-	-	53,131	994,760
Lease Liability	155,223	-	-	-
SBITA Liability	696,503	-	-	-
Total Current Liabilities	<u>1,555,444</u>	<u>-</u>	<u>53,131</u>	<u>1,247,115</u>
<b>NONCURRENT LIABILITIES</b>				
Lease Liability	1,938,814	-	-	-
SBITA Liability	1,387,211	-	-	-
Total Noncurrent Liabilities	<u>3,326,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	4,881,469	-	53,131	1,247,115
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,514,664	611,537	-	-
Unrestricted	4,824,760	432,505	734,659	(610,289)
Total Net Position	<u>\$ 9,339,424</u>	<u>\$ 1,044,042</u>	<u>\$ 734,659</u>	<u>\$ (610,289)</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)**  
**JUNE 30, 2023**

	Workers' Compensation	Health Insurance	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Pooled Cash and Investments in			
County Treasury	\$ 1,114,118	\$ 202,943	\$ 8,659,026
Other Cash	-	172,643	172,643
Accounts Receivable	58,323	615,149	704,378
Due from Other Governments	-	1,841	14,569
Total Current Assets	1,172,441	992,576	9,550,616
<b>NONCURRENT ASSETS</b>			
Capital Assets:			
Nondepreciable	-	-	2,972,299
Depreciable, Net	-	-	2,395,173
Lease Assets, Net	-	-	2,005,507
SBITA Assets, Net	-	-	1,930,973
Total Noncurrent Assets	-	-	9,303,952
 Total Assets	 1,172,441	 992,576	 18,854,568
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	8,469	525,404	1,462,653
Accrued Salaries and Benefits	2,159	9,916	14,483
Compensated Absences Payable	-	16,384	41,269
Liability for Unpaid Claims	-	186,199	1,234,090
Lease Liability	-	-	155,223
SBITA Liability	-	-	696,503
Total Current Liabilities	10,628	737,903	3,604,221
<b>NONCURRENT LIABILITIES</b>			
Lease Liability	-	-	1,938,814
SBITA Liability	-	-	1,387,211
Total Noncurrent Liabilities	-	-	3,326,025
 Total Liabilities	 10,628	 737,903	 6,930,246
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	5,126,201
Unrestricted	1,161,813	254,673	6,798,121
 Total Net Position	 \$ 1,161,813	 \$ 254,673	 \$11,924,322

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION – INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
<b>OPERATING REVENUES</b>				
Charges and Fees	\$ 3,192,947	\$ -	\$ 150,000	\$ 3,422,751
Other Revenues	-	-	-	7
Total Operating Revenues	<u>3,192,947</u>	<u>-</u>	<u>150,000</u>	<u>3,422,758</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	-	-	-	140,552
Services and Supplies	1,325,038	-	215	397,525
Insurance	-	-	-	2,521,239
Depreciation and Amortization	1,165,618	8,340	-	-
Claims and Judgments	-	-	158,150	764,591
Total Operating Expenses	<u>2,490,656</u>	<u>8,340</u>	<u>158,365</u>	<u>3,823,907</u>
<b>OPERATING INCOME (LOSS)</b>	702,291	(8,340)	(8,365)	(401,149)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other Revenues	-	611,419	-	-
Gain (Loss) on Disposal of Capital Assets	-	122,849	-	-
Investment Revenue (Expense)	96,930	2,438	7,622	3,047
Interest Expense	(74,441)	-	-	-
Total Nonoperating Revenues	<u>22,489</u>	<u>736,706</u>	<u>7,622</u>	<u>3,047</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	724,780	728,366	(743)	(398,102)
<b>TRANSFERS IN</b>	293,603	-	-	4,775
<b>TRANSFERS OUT</b>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>(5,352)</u>
<b>CHANGE IN NET POSITION</b>	938,383	728,366	(743)	(398,679)
Net Position - Beginning of Year	<u>8,401,041</u>	<u>315,676</u>	<u>735,402</u>	<u>(211,610)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 9,339,424</u>	<u>\$ 1,044,042</u>	<u>\$ 734,659</u>	<u>\$ (610,289)</u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Workers' Compensation	Health Insurance	Total
<b>OPERATING REVENUES</b>			
Charges and Fees	\$ 5,103,079	\$ 20,330,559	\$ 32,199,336
Other Revenues	-	47,519	47,526
Total Operating Revenues	<u>5,103,079</u>	<u>20,378,078</u>	<u>32,246,862</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	107,865	490,378	738,795
Services and Supplies	38,123	315,412	2,076,313
Insurance	5,098,541	756,859	8,376,639
Depreciation and Amortization	-	-	1,173,958
Claims and Judgments	-	18,558,639	19,481,380
Total Operating Expenses	<u>5,244,529</u>	<u>20,121,288</u>	<u>31,847,085</u>
<b>OPERATING INCOME (LOSS)</b>	(141,450)	256,790	399,777
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Other Revenues	58,323	-	669,742
Gain (Loss) on Disposal of Capital Assets	-	-	122,849
Investment Revenue (Expense)	(3,992)	(89,285)	16,760
Interest Expense	-	-	(74,441)
Total Nonoperating Revenues	<u>54,331</u>	<u>(89,285)</u>	<u>734,910</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(87,119)	167,505	1,134,687
<b>TRANSFERS IN</b>	3,311	4,190,821	4,492,510
<b>TRANSFERS OUT</b>	<u>(4,796)</u>	<u>(417,290)</u>	<u>(507,438)</u>
<b>CHANGE IN NET POSITION</b>	(88,604)	3,941,036	5,119,759
Net Position - Beginning of Year	<u>1,250,417</u>	<u>(3,686,363)</u>	<u>6,804,563</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,161,813</u>	<u>\$ 254,673</u>	<u>\$ 11,924,322</u>

**COUNTY OF MENDOCINO  
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2023**

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts from Interfund Services Provided	\$ 3,192,733	\$ -	\$ 150,000	\$ 3,422,758
Cash Paid to Employees for Services	-	-	-	(143,284)
Cash Paid to Suppliers for Goods and Services	(775,814)	-	(131,750)	(3,608,468)
Net Cash Provided (Used) by Operating Activities	<u>2,416,919</u>	<u>-</u>	<u>18,250</u>	<u>(328,994)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Noncapital Other Contributions	-	-	-	-
Transfers In	293,603	-	-	4,775
Transfers Out	(80,000)	-	-	(5,352)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>213,603</u>	<u>-</u>	<u>-</u>	<u>(577)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(2,686,968)	-	-	-
Proceeds from Sale of Capital Assets	-	80,342	-	-
Principal Payments on Capital Debt	(726,983)	-	-	-
Interest Paid on Capital Debt	(74,441)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,488,392)</u>	<u>80,342</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income (loss)	96,930	2,438	7,622	3,047
Net Cash Provided (Used) by Investing Activities	<u>96,930</u>	<u>2,438</u>	<u>7,622</u>	<u>3,047</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(760,940)	82,780	25,872	(326,524)
Cash and Cash Equivalents - Beginning of Year	<u>6,288,291</u>	<u>307,218</u>	<u>761,918</u>	<u>963,350</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 5,527,351</u></u>	<u><u>\$ 389,998</u></u>	<u><u>\$ 787,790</u></u>	<u><u>\$ 636,826</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 702,291	\$ (8,340)	\$ (8,365)	\$ (401,149)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,165,618	8,340	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(214)	-	-	-
Increase (Decrease) in:				
Accounts Payable	549,224	-	-	(43,896)
Accrued Salaries	-	-	-	(23,012)
Compensated Absences	-	-	-	20,280
Claims Liability	-	-	26,615	118,783
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 2,416,919</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,250</u></u>	<u><u>\$ (328,994)</u></u>

**COUNTY OF MENDOCINO**  
**COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Workers' Compensation	Health Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from Interfund Services Provided	\$ 5,044,756	\$ 19,961,941	\$ 31,772,188
Cash Paid to Employees for Services	(111,521)	(525,448)	(780,253)
Cash Paid to Suppliers for Goods and Services	(5,129,241)	(21,761,242)	(31,406,515)
Net Cash Provided (Used) by Operating Activities	<u>(196,006)</u>	<u>(2,324,749)</u>	<u>(414,580)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Noncapital Other Contributions	58,323	-	58,323
Transfers In	3,311	3,081,787	3,383,476
Transfers Out	(4,796)	(417,290)	(507,438)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>56,838</u>	<u>2,664,497</u>	<u>2,934,361</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	-	-	(2,686,968)
Proceeds from Sale of Capital Assets	-	-	80,342
Principal Payments on Capital Debt	-	-	(726,983)
Interest Paid on Capital Debt	-	-	(74,441)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(3,408,050)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (loss)	(3,992)	(89,285)	16,760
Net Cash Provided (Used) by Investing Activities	<u>(3,992)</u>	<u>(89,285)</u>	<u>16,760</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(143,160)	250,463	(871,509)
Cash and Cash Equivalents - Beginning of Year	1,257,278	125,123	9,703,178
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,114,118</u>	<u>\$ 375,586</u>	<u>\$ 8,831,669</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (141,450)	\$ 256,790	\$ 399,777
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	-	1,173,958
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(58,323)	(416,137)	(474,674)
Increase (Decrease) in:			
Accounts Payable	7,423	113,601	626,352
Accrued Salaries	(3,656)	(35,378)	(62,046)
Compensated Absences	-	308	20,588
Claims Liability	-	(2,243,933)	(2,098,535)
Net Cash Provided (Used) by Operating Activities	<u>\$ (196,006)</u>	<u>\$ (2,324,749)</u>	<u>\$ (414,580)</u>

**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, 2023**

	<u>Special Districts Local Boards</u>	<u>School Districts</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments in County Treasury	<u>\$ 19,954,529</u>	<u>\$ 282,251,614</u>	<u>\$ 302,206,143</u>
<b>NET POSITION</b>			
Restricted for Pool Participants	<u>\$ 19,954,529</u>	<u>\$ 282,251,614</u>	<u>\$ 302,206,143</u>

**COUNTY OF MENDOCINO  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY  
NET POSITION – INVESTMENT TRUST FUND  
YEAR ENDED JUNE 30, 2023**

	Special Districts <u>Local Boards</u>	School Districts <u>Districts</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions on Pooled Investments	\$ 30,265,345	\$ 831,614,424	\$ 861,879,769
Interest and Investment Earnings	<u>265,655</u>	<u>6,252,042</u>	<u>6,517,697</u>
Total Additions	30,531,000	837,866,466	868,397,466
<b>DEDUCTIONS</b>			
Distributions from Investment Pool	<u>22,820,263</u>	<u>787,484,803</u>	<u>810,305,066</u>
<b>CHANGE IN NET POSITION</b>	7,710,737	50,381,663	58,092,400
Net Position - Beginning of Year	<u>12,243,792</u>	<u>231,869,951</u>	<u>244,113,743</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 19,954,529</u>	<u>\$282,251,614</u>	<u>\$302,206,143</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, 2023**

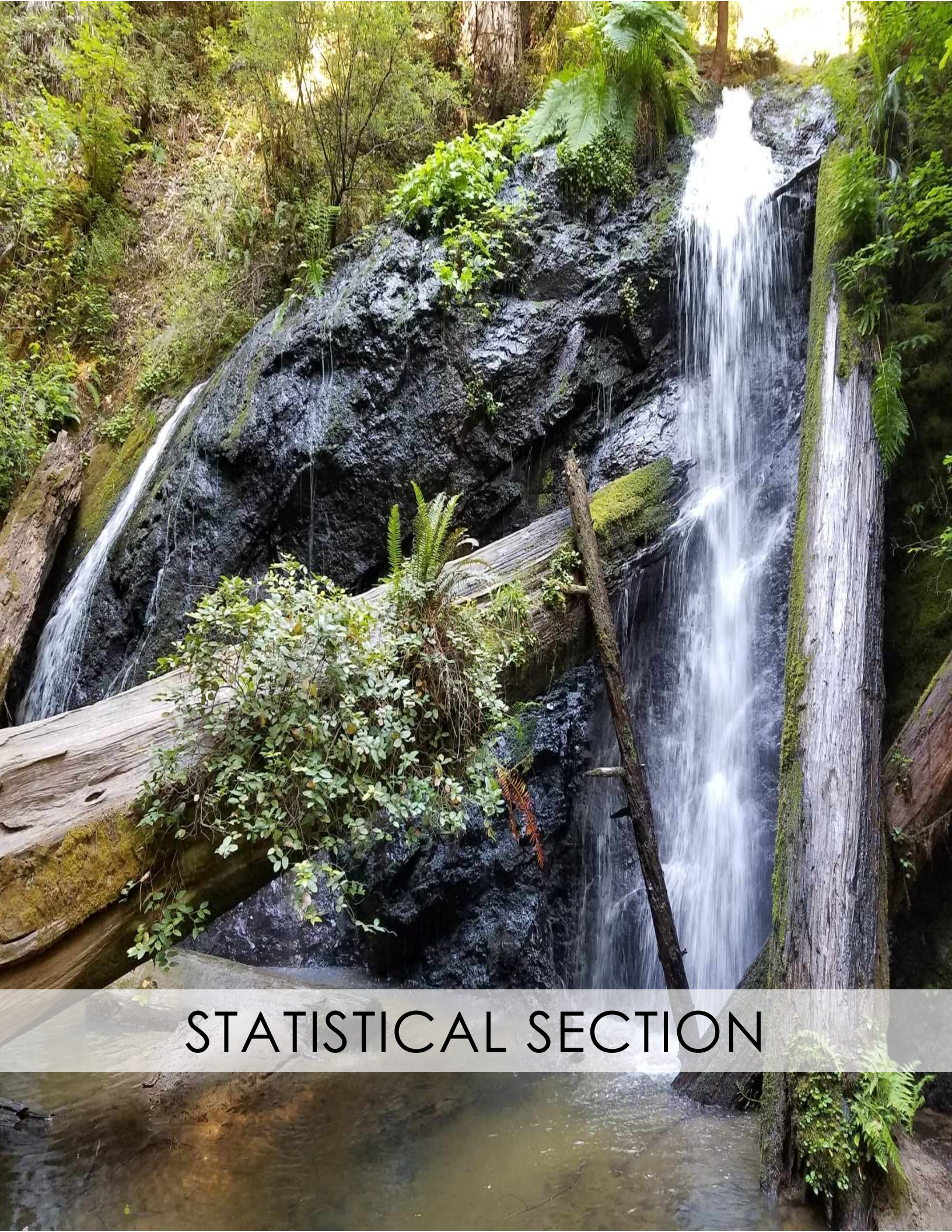
	<u>Behavioral Health Conservatorship</u>	<u>Public Guardian</u>	<u>Public Administrator</u>	<u>Total</u>
<b>ASSETS</b>				
Cash in Trust Account	<u>\$ 371,495</u>	<u>\$ 200,088</u>	<u>\$ 1,088,617</u>	<u>\$ 1,660,200</u>
<b>NET POSITION</b>				
Restricted for Private Purpose Trust Participants	<u>\$ 371,495</u>	<u>\$ 200,088</u>	<u>\$ 1,088,617</u>	<u>\$ 1,660,200</u>



**COUNTY OF MENDOCINO  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY  
 NET POSITION – PRIVATE PURPOSE TRUST FUND  
 YEAR ENDED JUNE 30, 2023**

	<u>Behavioral Health Conservatorship</u>	<u>Public Guardian</u>	<u>Public Administrator</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions to Private Purpose Trust	\$ 995,776	\$ 241,965	\$ 625,486	\$ 1,863,227
<b>DEDUCTIONS</b>				
Distributions from Private Purpose Trust	<u>821,080</u>	<u>218,241</u>	<u>557,988</u>	<u>1,597,309</u>
<b>CHANGE IN NET POSITION</b>	174,696	23,724	67,498	265,918
Net Position - Beginning of Year	<u>196,799</u>	<u>176,364</u>	<u>1,021,119</u>	<u>1,394,282</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 371,495</u></u>	<u><u>\$ 200,088</u></u>	<u><u>\$ 1,088,617</u></u>	<u><u>\$ 1,660,200</u></u>





# STATISTICAL SECTION



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

**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,				
	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 77,487	\$ 83,929	\$ 89,588	\$ 94,282	\$ 102,445
Restricted	30,589	29,584	30,684	33,815	50,179
Unrestricted	<u>(28,097)</u>	<u>(162,305)</u>	<u>(159,976)</u>	<u>(163,487)</u>	<u>(177,033)</u>
Total Primary Government Net Position	<u>\$ 79,979</u>	<u>\$ (48,792)</u>	<u>\$ (39,704)</u>	<u>\$ (35,390)</u>	<u>\$ (24,409)</u>
	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$109,538	\$ 109,188	\$ 129,961	\$ 137,807	\$ 133,071
Restricted	70,808	70,808	105,021	118,600	125,569
Unrestricted	<u>(177,546)</u>	<u>(160,349)</u>	<u>(191,378)</u>	<u>(167,872)</u>	<u>(139,482)</u>
Total Primary Government Net Position	<u>\$ 2,800</u>	<u>\$ 19,647</u>	<u>\$ 43,604</u>	<u>\$ 88,585</u>	<u>\$ 119,158</u>

Notes:

- Accounting standards require that net position be reported in the three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position 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.
- 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,				
	2014	2015	2016	2017	2018
<b>Expenses (by Function)</b>					
Governmental Activities:					
General Government	\$ 15,163	\$ 15,424	\$ 17,558	\$ 19,054	\$ 18,343
Public Protection	52,834	55,033	56,687	64,849	69,949
Public Ways and Facilities	13,130	15,381	12,394	14,232	13,277
Health and Sanitation	35,195	36,322	32,292	30,904	49,695
Public Assistance	58,200	58,778	67,853	70,006	72,611
Education	2,635	2,965	3,540	3,685	3,812
Recreation and Culture	454	611	599	536	461
Debt Service:					
Interest	4,977	4,710	4,484	4,252	4,087
Total Primary Government Expenses	<u>\$ 182,588</u>	<u>\$ 189,224</u>	<u>\$ 195,407</u>	<u>\$ 207,518</u>	<u>\$ 232,235</u>

	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
<b>Expenses (by Function)</b>					
Governmental Activities:					
General Government	\$ 18,901	\$ 22,640	\$ 22,851	\$ 25,124	\$ 29,732
Public Protection	69,229	77,464	84,642	75,087	88,683
Public Ways and Facilities	16,113	22,550	22,350	19,246	17,601
Health and Sanitation	53,071	57,374	70,044	57,025	60,621
Public Assistance	71,373	77,122	80,230	75,686	95,079
Education	4,092	4,174	3,937	3,710	4,799
Recreation and Culture	524	554	617	545	823
Debt Service:					
Interest	3,870	3,405	2,923	2,454	2,421
Total Primary Government Expenses	<u>\$ 237,173</u>	<u>\$ 265,284</u>	<u>\$ 287,593</u>	<u>\$ 258,877</u>	<u>\$ 299,760</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,				
	2014	2015	2016	2017	2018
<b>Program Revenue (by Function)</b>					
Governmental Activities:					
General Government	\$ 2,911	\$ 2,846	\$ 3,220	\$ 3,731	\$ 4,403
Public Protection	9,954	9,306	9,987	11,091	9,626
Public Ways and Facilities	268	234	247	263	325
Health and Sanitation	3,218	3,692	4,114	3,843	5,944
Public Assistance	142	274	219	444	539
Education	49	62	50	57	-
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	102,164	105,656	110,986	115,677	130,234
Capital Grants and Contributions	4,431	6,410	6,391	4,974	3,756
Total Primary Government Program Revenues	<u>123,137</u>	<u>128,480</u>	<u>135,214</u>	<u>140,080</u>	<u>154,827</u>
 Total Primary Net Expense	<u><u>\$ (59,451)</u></u>	<u><u>\$ 123,770</u></u>	<u><u>\$ (60,193)</u></u>	<u><u>\$ (67,438)</u></u>	<u><u>\$ (77,408)</u></u>
	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
<b>Program Revenue (by Function)</b>					
Governmental Activities:					
General Government	\$ 9,111	\$ 3,639	\$ 4,024	\$ 4,705	\$ 5,830
Public Protection	9,602	10,321	9,045	8,739	8,888
Public Ways and Facilities	955	346	482	540	325
Health and Sanitation	10,696	6,396	7,934	8,272	7,443
Public Assistance	523	400	620	975	3,136
Education	58	29	787	19	17
Recreation and Culture	10	17	10	4	0
Operating Grants and Contributions	135,467	145,481	177,464	172,850	201,780
Capital Grants and Contributions	6,468	3,191	3,405	4,131	1,340
Total Primary Government Program Revenues	<u>172,890</u>	<u>169,821</u>	<u>203,771</u>	<u>200,236</u>	<u>228,760</u>
 Total Primary Net Expense	<u><u>\$ (64,282)</u></u>	<u><u>\$ (95,463)</u></u>	<u><u>\$ (83,821)</u></u>	<u><u>\$ (58,642)</u></u>	<u><u>\$ (71,000)</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,				
	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 41,090	\$ 43,773	\$ 46,801	\$ 48,171	\$ 50,490
Sales and Use Taxes	13,396	14,687	14,507	14,912	17,480
Transient Occupancy Tax	3,856	4,491	4,945	5,152	5,682
Other	388	426	429	504	2,025
Unrestricted Interest and Investment Earning	375	274	431	719	1,396
Gain on Sale of Assets	155	-	-	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	1,467	4,258	2,168	2,294	2,638
Total Primary Government	<u>60,727</u>	<u>67,909</u>	<u>69,281</u>	<u>71,752</u>	<u>79,711</u>
<b>Change in Net Position</b>					
Total Primary Government	<u>\$ 1,276</u>	<u>\$ 67,909</u>	<u>\$ 9,088</u>	<u>\$ 4,314</u>	<u>\$ 2,303</u>

	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 51,843	\$ 51,500	\$ 55,715	\$ 56,136	\$ 54,796
Sales and Use Taxes	25,084	24,743	31,030	32,853	30,337
Transient Occupancy Tax	5,872	4,785	7,961	9,261	8,099
Other	4,660	6,227	6,727	4,011	3,796
Unrestricted Interest and Investment Earning	1,683	3,141	549	(2,453)	2,176
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	22,652	-	-	-
Miscellaneous	2,347	2,136	2,375	2,330	2,420
Total Primary Government	<u>91,490</u>	<u>115,183</u>	<u>104,357</u>	<u>102,137</u>	<u>101,623</u>
<b>Change in Net Position</b>					
Total Primary Government	<u>\$ 27,208</u>	<u>\$ 19,721</u>	<u>\$ 20,535</u>	<u>\$ 43,495</u>	<u>\$ 30,624</u>

Source: Mendocino County Auditor-Controller

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

	June 30,				
	2014	2015	2016	2017	2018
<b>General Fund</b>					
Nonspendable	\$ 91	\$ 115	\$ 133	\$ 115	\$ 139
Restricted	-	-	-	-	7,071
Assigned	15,572	19,403	24,390	27,541	29,626
Unassigned	11,693	15,330	12,938	8,931	6,936
Total General Fund	<u>\$ 27,356</u>	<u>\$ 34,848</u>	<u>\$ 37,461</u>	<u>\$ 36,587</u>	<u>\$ 43,772</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 651	\$ 692	\$ 666	\$ 525	\$ 589
Restricted	25,281	24,060	24,094	33,357	31,286
Assigned	-	-	407	997	587
Unassigned	(9)	(10)	-	(1)	-
Total All Other Governmental Funds	<u>25,923</u>	<u>24,742</u>	<u>25,167</u>	<u>34,878</u>	<u>32,462</u>
Total Governmental Funds Balances	<u>\$ 53,279</u>	<u>\$ 59,590</u>	<u>\$ 62,628</u>	<u>\$ 71,465</u>	<u>\$ 76,234</u>

	June 30,				
	2019	2020	2021	2022	2023
<b>General Fund</b>					
Nonspendable	\$ 177	\$ 230	\$ 263	\$ 218	\$ 228
Restricted	8,330	9,074	8,714	17,377	33,367
Assigned	25,887	25,542	50,404	30,948	27,708
Unassigned	12,336	35,503	21,605	14,027	4,113
Total General Fund	<u>\$ 46,730</u>	<u>\$ 70,349</u>	<u>\$ 80,987</u>	<u>\$ 62,571</u>	<u>\$ 65,415</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 534	\$ 571	\$ 1,208	\$ 1,233	\$ 867
Restricted	46,947	57,594	65,322	87,423	96,415
Assigned	771	1,138	1,121	1,658	4,398
Unassigned	(22)	(1,536)	-	(380)	(47)
Total All Other Governmental Funds	<u>48,230</u>	<u>57,767</u>	<u>67,652</u>	<u>89,935</u>	<u>101,633</u>
Total Governmental Funds Balances	<u>\$ 94,960</u>	<u>\$ 128,117</u>	<u>\$ 148,639</u>	<u>\$ 152,505</u>	<u>\$ 167,049</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,				
	2014	2015	2016	2017	2018
<b>Revenues</b>					
Taxes	\$ 58,730	\$ 63,378	\$ 66,682	\$ 68,739	\$ 75,677
Licenses, Permits, and Franchises	2,913	2,925	2,812	3,377	4,361
Intergovernmental	109,770	112,479	115,851	124,372	126,097
Revenue from Use of Money and Property	338	247	387	622	1,218
Fines, Forfeitures, and Penalties	3,019	1,856	1,940	1,619	1,475
Charges for Services	10,676	11,621	12,995	14,629	15,138
Other Revenues	1,623	4,258	2,168	1,849	2,071
Total Revenues	<u>\$ 187,069</u>	<u>\$ 196,764</u>	<u>\$ 202,835</u>	<u>\$ 215,207</u>	<u>\$ 226,037</u>
<b>Expenditures</b>					
Current:					
General Government	\$ 13,624	\$ 13,854	\$ 15,524	\$ 15,554	\$ 15,732
Public Protection	47,135	50,825	55,365	56,020	62,481
Public Ways and Facilities	14,118	20,052	17,025	14,978	15,349
Health and Sanitation	28,563	32,915	32,859	36,814	48,410
Public Assistance	56,487	57,052	63,626	65,624	68,936
Education	2,459	2,765	2,998	3,409	3,523
Recreation and Culture	421	521	551	462	405
Debt Service:					
Principal	4,765	4,986	5,214	5,470	5,745
Interest	5,073	4,821	4,602	4,376	4,218
Capital Outlay	1,018	2,234	1,029	3,706	5,297
Total Expenditures:	<u>173,663</u>	<u>190,025</u>	<u>198,793</u>	<u>206,413</u>	<u>230,096</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 13,406</u>	<u>\$ 6,739</u>	<u>\$ 4,042</u>	<u>\$ 8,794</u>	<u>\$ (4,059)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ 16,454	\$ 16,190	\$ 17,305	\$ 21,279	\$ 20,186
Transfers Out	(16,696)	(16,618)	(18,310)	(21,235)	(20,036)
Total Other Financing Sources (Uses)	<u>\$ (242)</u>	<u>\$ (428)</u>	<u>\$ (1,005)</u>	<u>\$ 44</u>	<u>\$ 150</u>
<b>Net Changes in Fund Balances</b>	<u>\$ 13,164</u>	<u>\$ 6,311</u>	<u>\$ 3,037</u>	<u>\$ 8,838</u>	<u>\$ (3,909)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.70%	5.22%	4.96%	4.86%	4.43%

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,				
	2019	2020	2021	2022	2023
<b>Revenues</b>					
Taxes	\$ 87,460	\$ 87,255	\$ 101,433	\$ 102,260	\$ 97,027
Licenses, Permits, and Franchises	4,963	5,270	5,477	4,772	5,144
Intergovernmental	141,152	153,219	173,640	187,488	202,363
Revenue from Use of Money and Property	1,505	2,824	592	(2,297)	2,313
Fines, Forfeitures, and Penalties	1,517	1,413	978	1,776	1,275
Charges for Services	19,408	14,366	16,428	16,626	17,680
Other Revenues	2,347	24,788	2,375	2,330	2,122
Total Revenues	<u>\$ 258,353</u>	<u>\$ 289,135</u>	<u>\$ 300,924</u>	<u>\$ 312,956</u>	<u>\$ 327,924</u>
<b>Expenditures</b>					
Current:					
General Government	\$ 16,793	\$ 17,206	\$ 19,034	\$ 23,080	\$ 27,676
Public Protection	64,257	68,314	75,440	84,619	87,138
Public Ways and Facilities	20,239	20,826	21,857	23,435	16,296
Health and Sanitation	52,052	55,034	67,956	60,709	58,927
Public Assistance	68,425	71,621	74,985	80,420	93,450
Education	3,965	3,753	3,549	4,046	4,616
Recreation and Culture	468	470	541	564	770
Debt Service:					
Principal	6,035	6,345	6,670	7,277	6,845
Interest	4,008	3,626	3,081	2,636	2,696
Capital Outlay	2,848	4,866	20,097	5,468	5,815
Total Expenditures	<u>239,092</u>	<u>252,062</u>	<u>293,210</u>	<u>292,254</u>	<u>304,230</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 19,262</u>	<u>\$ 37,073</u>	<u>\$ 7,714</u>	<u>\$ 20,701</u>	<u>\$ 23,694</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ 19,050	\$ 21,272	\$ 54,432	\$ 50,388	\$ 50,311
Transfers Out	<u>(19,585)</u>	<u>(25,188)</u>	<u>(56,432)</u>	<u>(54,068)</u>	<u>(54,296)</u>
Total Other Financing Sources (Uses)	<u>\$ (535)</u>	<u>\$ (3,916)</u>	<u>\$ (2,000)</u>	<u>\$ (3,680)</u>	<u>\$ (3,985)</u>
<b>Net Changes in Fund Balances</b>	<u>\$ 18,726</u>	<u>\$ 33,156</u>	<u>\$ 5,714</u>	<u>\$ 17,021</u>	<u>\$ 19,709</u>
Debt Service as a Percentage of Noncapital Expenditures					
	4.25%	4.03%	3.64%	3.56%	3.22%

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
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	12,701,297	376,952	(442,017)	12,636,232	1.00
2022	13,013,145	391,757	(453,663)	12,951,239	1.00
2023	13,514,853	430,102	(454,156)	13,490,800	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
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
2023	1.0000	0.4710	1.0480	0.0690	0.0130	-	2.6010

Notes:

1. Aggregate bond rate % for: Ukiah (.157), Laytonville (.1379), Mendocino (.179), Willits (.048), Fort Bragg (.162), Anderson Valley (.158), Southern Humboldt (.075), Round Valley (.091), and Potter Valley Community (.041)
2. Aggregate bond rate % for: Redwoods Junior College (.010), Sonoma County Junior College, 2002 (.012) Sonoma County Junior College, 2014 (.023), and Mendocino-Lake Community College (.024).
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, 2023	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Company	Utility	\$5,311,467	3.12 %
Mendocino Forest Products Co LLC	Sawmill/Manufacturing	1,755,139	1.03
Waterfowl Wine Company, Inc.	Vineyard/Winery	1,338,221	0.79
Vintage Wine Estates, Inc.	Vineyard/Winery	1,260,924	0.74
Pacific Bell Telephone Company	Communications	891,412	0.52
VCT USA Inc	Vineyard/Winery	713,345	0.42
Fetzer Vineyards Inc	Vineyard/Winery	667,426	0.39
COSTCO Wholesale Corporation	Retail Sales	535,794	0.31
Mendocino Redwood Company	Timberland/Logging	509,602	0.30
Rhys Vineyards, LLC	Vineyard/Winery	338,604	0.20
Total Principal Property Taxpayers		13,321,936	7.82 %
All Other Taxes Levied		156,969,784	92.18 %
TOTAL		<u>\$ 170,291,720</u>	<u>100.00 %</u>

Fiscal Year Ended June 30, 2014	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	\$2,257,706.36	1.92 %
VCT USA, Inc. (Fetzer)	Vineyard/Winery	584,566	0.50
Mendocino Forest Products, Inc.	Mfg./Sawmill	580,129	0.49
Mendocino Redwood Co., LLC	Mfg./Sawmill	425,570	0.36
Pacific Bell Telephone Co.	Communications	398,204	0.34
Georgia Pacific Corp.	Industrial Site	353,312	0.30
Heritage Wine, LLC	Vineyard/Winery	266,638	0.23
Hawthorne Timber Co.	Timberland	212,814	0.18
Pear Orchard Associates	Shopping Center	209,641	0.18
AT&T Communications, Inc.	Communications	182,779	0.16
Total Principal Property Taxpayers		5,471,359	4.66 %
All Other Taxes Levied		111,874,426	95.34 %
TOTAL		<u>\$ 117,345,785</u>	<u>100.00 %</u>

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			
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	129,750	125,387	96.64	<i>nda</i>	4,362	3.36
2022	132,815	127,892	96.29	<i>nda</i>	4,922	3.71
2023	141,285	134,446	95.16	<i>nda</i>	6,839	4.84

Notes:

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

Source: Mendocino County Auditor-Controller

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

Type of Business	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Motor Vehicle & Parts Dealers	\$ 136,193	\$ 149,385	\$ 170,993	\$ 181,773	\$ 183,042
Home Furnishings & Appliance Stores	29,000	29,602	30,461	27,913	27,654
Building/Garden Material & Equipment	142,562	151,499	169,373	176,471	168,996
Food and Beverage Stores	107,522	109,872	113,917	115,181	119,226
Gasoline Stations	211,714	196,341	167,570	169,709	202,565
Clothing & Clothing Accessories Stores	33,875	36,104	38,214	39,382	38,742
General Merchandise Stores	80,647	82,826	87,482	86,588	87,186
Food Services and Drinking Places	116,533	127,399	139,064	144,571	143,818
Other Retail	128,269	132,419	139,921	146,801	148,291
Total Retail & Food Services	986,315	1,015,447	1,056,995	1,088,389	1,119,520
All Other Outlets	332,657	340,664	346,703	348,929	347,423
Totals	<u>\$1,318,972</u>	<u>\$1,356,111</u>	<u>\$1,403,698</u>	<u>\$1,437,318</u>	<u>\$1,466,943</u>

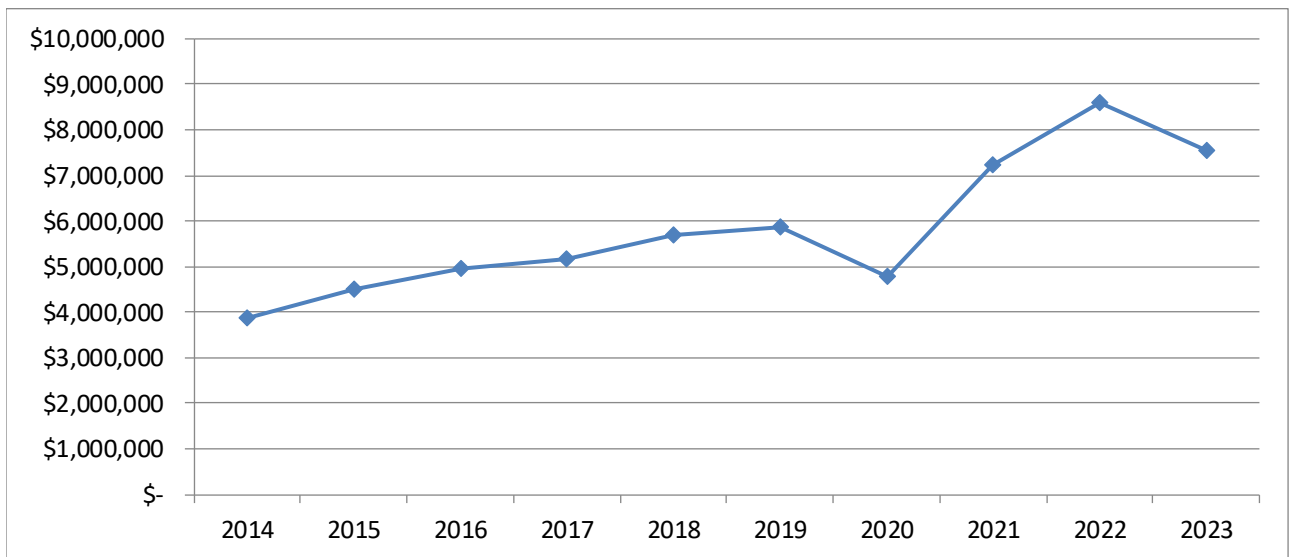
Type of Business	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
Motor Vehicle & Parts Dealers	\$ 180,355	\$ 206,502	\$ 245,473	\$ 216,595	\$ 190,330
Home Furnishings & Appliance Stores	26,134	26,901	35,418	32,183	28,035
Building/Garden Material & Equipment	174,335	208,847	254,826	195,719	178,528
Food and Beverage Stores	112,069	117,617	134,755	133,876	125,427
Gasoline Stations	203,166	182,512	209,082	263,209	243,456
Clothing & Clothing Accessories Stores	40,859	36,727	49,211	51,428	48,394
General Merchandise Stores	145,673	159,642	179,132	182,592	174,606
Food Services and Drinking Places	145,768	125,873	138,571	162,838	162,178
Other Retail	161,435	205,460	281,913	243,767	222,470
Total Retail & Food Services	1,189,794	1,270,081	1,528,381	1,482,207	1,373,424
All Other Outlets	336,996	355,165	457,692	442,254	418,249
Totals	<u>\$1,526,790</u>	<u>\$1,625,246</u>	<u>\$1,986,073</u>	<u>\$1,924,461</u>	<u>\$1,791,673</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 2014-2015 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
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
2023	7,550,530	(12.05)



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 & SBITA Obligations	Long- Term Loans			
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	585	1.02
2023	20,855	27,860	7,535	-	56,250	625	1.09

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 2022 demographics, published in November of 2023.

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
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
2023	13,490,800	168,635	-	168,635	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, 2023**

2022-23 Assessed Valuation (includes unitary utility valuation)	\$	13,490,799,536	
		<u>Total Debt at June 30, 2023</u>	<u>Percentage Applicable</u>
			<u>County's Share of Debt at June 30, 2023</u>
<b><u>OVERLAPPING TAX and ASSESSMENT DEBT</u></b>			
Anderson Valley Unified School District	\$	13,036,589	100.000
Arena Union School District		889,062	100.000
Fort Bragg Unified School District		48,433,023	100.000
Laytonville Unified School District		7,932,743	100.000
Mendocino Coast Hospital District		7,809,667	100.000
Mendocino Lake Community College District		82,409,216	66.920
Mendocino Unified School District		35,936,649	100.000
Point Arena Joint Union High School District		-	59.350
Potter Valley Unified School District		2,630,000	100.000
Redwoods Joint Community College District		25,795,068	13.660
Round Valley Unified School District		7,932,743	100.000
Sonoma County Joint Community College District 2002		108,515,000	1.120
Sonoma County Joint Community College District 2014		289,305,000	1.120
Southern Humboldt Unified School District		19,247,855	2.160
Ukiah Unified School District		80,970,918	100.000
Willits Unified School District		12,782,054	100.000
<b>TOTAL OVERLAPPING TAX and ASSESSMENT DEBT</b>			<u>\$281,896,640</u>
<b><u>DIRECT GENERAL GOVERNMENT DEBT</u></b>			
Mendocino County Certificates of Participation		20,855,000	100.000
Mendocino County Pension Obligation Bonds		27,860,000	100.000
Mendocino County Lease Obligations		4,854,044	100.000
Mendocino County SBITA Obligations		2,527,472	100.000
<b>TOTAL DIRECT GENERAL GOVERNMENT DEBT</b>			<u>\$56,092,364</u>
<b>COMBINED TOTAL DEBT</b>			<u><u>\$337,989,004</u></u>

**RATIOS of 2022-23 ASSESSED VALUATIONS**

Total Direct Debt (\$47,345,000) .....	2.090%
Total Overlapping Tax and Assessment Debt .....	0.416%
Total Combined Debt .....	2.505%

**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, and mortgage revenue and non-bonded finance 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>
2013	87,207	\$ 39,814	\$ 3,472,065	41.8	13,100	08.3 %
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	89,783	57,310	5,145,470	43.6	12,818	4.1
2023	--	--	--	--	12,846	--

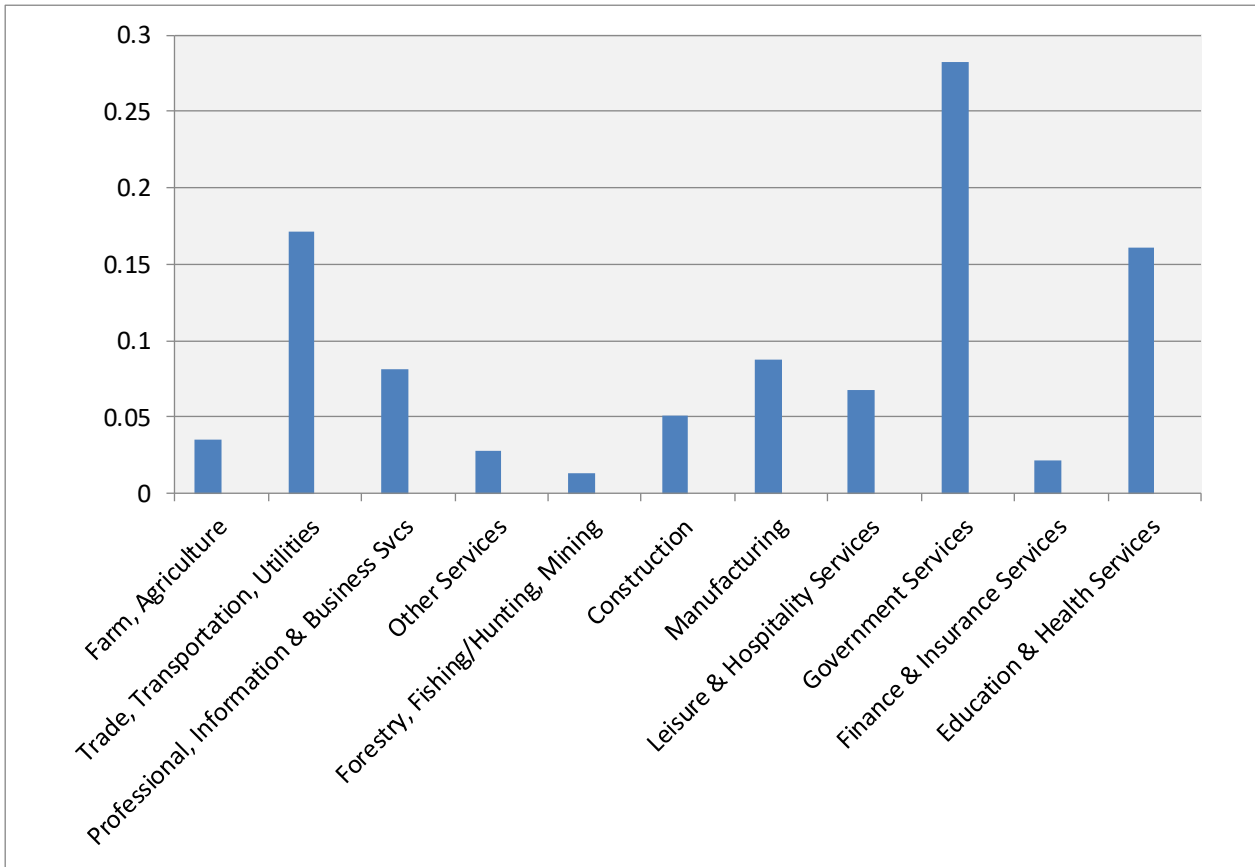
Note: -- Current Calendar Year data not yet available.

Source:

- 1 Bureau of Economic Analysis. Last updated: November 16, 2023-- new statistics for 2022.
- 2 California Employment Development Department; Labor Market Info Division; 2017-2021 American Community Survey 5-Year Estimates; Geographic Area: Mendocino County.
- 3 California Department of Education, Demographics, Dataquest, County, Enrollment Data, FY 2022-23.
- 4 California Employment Development Department, Labor Market Info Division; Report 400C, Monthly Labor Force Data for Counties, Annual Average 2021 - Revised (March 24, 2023. March 2022 Benchmark).

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

Industry Employment Distribution	Compensation	Percent
Farm, Agriculture	\$ 82,610	3.7 %
Trade, Transportation, Utilities	384,625	17.3
Professional, Information & Business Svcs	203,729	9.2
Other Services	65,684	3.0
Forestry, Fishing/Hunting, Mining	32,565	1.5
Construction	111,873	5.0
Manufacturing	214,416	9.6
Leisure & Hospitality Services	147,651	6.6
Government Services	577,019	25.9
Finance & Insurance Services	46,025	2.1
Education & Health Services	358,081	16.1
	\$ 2,224,278	100.0 %



Source: Bureau of Economic Analysis, 2022 data published November 16, 2023.



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

2023 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	Government-State Fire Protection Svcs
City of Ukiah	Ukiah	Government Offices-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	Government Offices-County Services
Mendocino County Office of Education	Ukiah	Boards of Education
Mendocino Forest Products	Ukiah	Manufacturing/Sawmill
Mendocino Lake Community College	Ukiah/Willits/Ft Bragg/Lakeport	Education
Mendocino Redwood Co LLC	Calpella	Manufacturing/Sawmill
Metalx Inc	Willits	Sheet Metal Fabricators (mfrs)
Pacific Coast Farm Credit	Ukiah	Loans-Agricultural
Pacific Medical Resources	Fort Bragg	Nursing Services
Safeway	Ukiah/Willits/Fort Bragg	Grocers-Retail
Ukiah High School	Ukiah	Schools
Ukiah Unified School District	Ukiah	School Districts
Walmart	Ukiah	Department Stores

2014 Principal Employers	Location	Industry
Adventist Health Ukiah Valley	Ukiah	Hospitals & Outpatient Services
City of Ukiah	Ukiah	Government Offices-City Services
Coyote Valley Tribe of Pomo Indians	Redwood Valley	Casinos
Dharma Realm Buddhist Assn	Ukiah	Associations
Fetzer Vineyards	Hopland	Vineyard/Winery
Frank R Howard Memorial Hospital	Willits	Hospitals
Hopland Band of Pomo Indians	Hopland	Casinos
Mendocino Coast Auxiliary Hospital	Fort Bragg	Hospitals
Mendocino Coast Health Care	Fort Bragg	Outpatient Services
Mendocino Community Health	Ukiah	Clinics
Mendocino County	Ukiah/Willits/Fort Bragg	Government Offices-County
Mendocino County Office of Education	Ukiah	Boards of Education
Mendocino Forrest Products	Ukiah	Manufacturing/Sawmill
Mendocino Lake Community College	Ukiah/Willits/Lakeport	Education
Mendocino Redwood Co LLC	Calpella	Manufacturing/Sawmill
Safeway	Ukiah/Willits/Fort Bragg	Grocers-Retail
Ukiah Unified School District	Ukiah	Education
Walmart	Ukiah	Department Stores

Notes:

- 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, 2024 1st Edition\*.  
\*Employer information is provided by Data Axel, Omaha, NE, 800/555-5211. © 2023. All rights reserved.

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>GOVERNMENTAL</b>										
General Government	143.10	132.50	134.50	135.50	144.50	145.50	148.50	148.50	157.50	168.50
Public Protection	439.80	440.80	449.80	454.80	460.80	465.80	465.30	464.00	483.00	499.00
Public Ways and Facilities	127.10	126.60	125.60	124.60	127.60	127.60	126.60	126.60	132.60	135.60
Health and Sanitation	251.10	222.20	213.20	208.20	193.80	191.80	193.80	194.05	197.05	215.05
Public Assistance	426.00	423.00	420.00	420.00	419.00	426.00	427.00	426.00	429.00	422.00
Recreation and Education	38.55	40.05	40.05	40.05	44.05	41.05	41.05	44.50	43.50	41.50
<b>Total Governmental</b>	<b>1,425.65</b>	<b>1,385.15</b>	<b>1,383.15</b>	<b>1,383.15</b>	<b>1,389.75</b>	<b>1,397.75</b>	<b>1,402.25</b>	<b>1,403.65</b>	<b>1,442.65</b>	<b>1,481.65</b>
<b>SPECIAL DISTRICTS</b>										
Water Resource Agency	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00
Air Quality Mgmt District	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00
<b>Total Special Districts</b>	<b>10.00</b>	<b>10.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>10.00</b>
<b>TOTAL All Positions</b>	<b>1,435.65</b>	<b>1,395.15</b>	<b>1,394.15</b>	<b>1,394.15</b>	<b>1,400.75</b>	<b>1,406.75</b>	<b>1,411.25</b>	<b>1,412.65</b>	<b>1,451.65</b>	<b>1,491.65</b>

Note: Positions shown are approved, budgeted, full-time equivalent positions. Some positions may be vacant.

Source: Mendocino County Adopted Budget Book, Position Allocations

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

OPERATION INDICATORS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>GENERAL GOVERNMENT</b>										
Assessor (BU 1120)										
Deeds Processed	3,799	4,074	4,089	4,124	4,046	3,781	3,726	3,973	4,030	5,034
Appraisals Completed	13,183	12,580	13,611	13,630	13,023	12,449	7,977	12,212	8,006	14,626
Elections (BU 1410)										
Registration Cards Processed	5,012	5,295	17,575	11,078	8,689	22,195	28,249	27,561	17,371	10,258
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	28,037	26,176	23,808	24,317	22,184	25,331	24,103	26,623	22,557	16,549
Marriage Licenses Issued	593	507	588	548	489	554	404	260	419	495
Fictitious Business Names Filed	862	893	903	912	806	894	651	676	624	639
<b>PUBLIC PROTECTION</b>										
District Attorney (BU 2070)										
Sentences to State Prison	97	148	141	151	128	124	114	81	199	127
Realignment County Prison [1]	72	95	99	77	64	43	48	32	66	69
Prop 57 Expedited Release Cases Reviewed										
Early Releases Granted	---	---	---	---	5	5	5	5	5	0
Early Releases Denied	---	---	---	---	11	7	17	10	15	9
No Jurisdiction	---	---	---	---	---	---	---	---	1	4
Public Defender (BU 2080)										
New Cases	5,461	4,941	4,417	5,060	5,391	5,819	5,546	4,637	4,801	5,134
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	4,421	4,200	4,003	3,882	3,838	3,799	3,474	3,205	3,008	2,900
TOTAL Collections	\$5.86M	\$5.78M	\$5.63M	\$5.54M	\$5.64M	\$5.73M	\$5.66M	\$6.45M	\$5.6M	\$5.8M
Cases with Support Order	94%	94%	94%	94%	93%	93%	93%	94%	93%	95%
Collections w/Monthly Supp Obligation	67%	68%	68%	68%	67%	68%	69%	69%	63%	64%
Cases w/Collections on Past Due	65%	66%	67%	69%	68%	69%	74%	73%	67%	66%
Sheriff (BU 2310)										
Number of Arrests	2,259	2,011	2,255	2,157	2,412	1,931	2,114	1,377	1,291	1,410
Coroner Case Load	344	323	327	359	259	341	299	482	441	395
Call for Service	40,023	38,776	45,028	47,005	48,222	43,289	38,382	40,543	39,062	35,174
Adult Corrections (BU 2510)										
Prisoners Booked	5,597	5,056	4,989	4,007	7,505	4,831	3,728	3,672	3,969	4,137
Average Daily Population	292	301	305	304	303	286	258	239	285	257

Notes:

- Prison commitments served in County jail due to realignment statutes, effective October 1, 2011.  
*cal yr* - Calendar year reporting period/no current year data  
*nda* - No data available  
*---* - No previous activity.

Source: County Departments

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

OPERATION INDICATORS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PUBLIC PROTECTION (CONTINUED)</b>										
Juvenile Hall (BU 2550) [1]										
Juvenile Hall Bookings	267	296	273	303	311	201	119	67	148	cal yr
Juvenile Hall AVG Daily Population [2]	11	14	22	20	16	13	8	6	9	cal yr
Probation (BU 2560)										
Adult Reports	475	571	613	568	524	536	445	563	708	cal yr
Juvenile Reports	280	229	196	127	184	195	142	149	120	cal yr
Adult Supervision Cases Received-all types	377	449	468	489	494	361	315	318	427	cal yr
Juvenile Supervision Cases Received-all types	62	99	72	70	79	40	48	29	39	cal yr
Planning and Building (BU 2851)										
Planning Applications	644	765	833	1,448	415	522	661	632	300	309
Building and Grading Permits	1,772	1,880	2,020	2,376	2,260	2,938	3,960	4,264	4,175	2,959
Building Inspections	7,282	6,292	5,633	6,389	7,030	9,857	8,757	9,699	9,952	10,308
<b>PUBLIC WAYS AND FACILITIES</b>										
Public Works (BU 3010)										
Road Miles Maintained	1,014	1,015	1,015	1,016	1,017	1,017	1,017	1,018	1,017	cal yr
Bridges Maintained	156	157	157	157	157	157	157	157	157	157
Miles of Asphalt Overlay	0	4	14	14	0	0	0	0	2	1
Miles of Chip Seal Completed	52	9	11	0	8	8	16	22	13	10
Encroachment Permits Issued	120	134	148	133	152	162	145	151	138	cal yr
Transportation Permits Issued	200	269	219	207	255	298	236	212	223	cal yr
<b>HEALTH AND SANITATION</b>										
Animal Care and Control (BU 2860)										
Adoptions, Cat	238	390	390	364	355	312	315	264	275	192
Adoptions, Dog	518	472	477	454	401	385	345	238	229	277
Spays and Neuters	1,304	1,343	1,295	1,398	1,339	1,470	1,282	1,046	812	1,702
Licenses Sold	11,466	10,246	10,309	10,128	10,199	10,729	10,609	10,140	10,881	8,838
Animal Complaint Cases	325	308	281	316	292	153	267	231	159	287
Calls for Service	3,092	2,902	2,815	3,445	3,319	3,989	3,441	2,209	3,102	4,017
Bite-related Calls for Service	162	208	188	189	189	175	187	142	189	255
Citations	82	23	11	21	61	18	8	10	44	32
Environmental Health (BU 4011)										
Well Permits Issued	248	225	204	224	183	156	240	410	153	140
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	221	262	241	240	226	168	110	78	91	68

Notes:

1. 2020, 2021 & 2022 were significantly impacted by COVID.
  2. 2015-2017 includes juveniles housed as part of a contract with Lake County.
- 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>HEALTH AND SANITATION (CONTINUED)</b>										
Emergency Medical Services (BU 4016)										
Service Calls	7,489	8,031	8,441	8,934	9,093	13,660	14,037	12,186	11,947	12,905
Mental Health (BU 4050)										
AVG Days, Request to Assessment [1]	10	8	9	6	6	6	4	5	10	\$ 5.00
<b>PUBLIC ASSISTANCE</b>										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse	902	912	935	929	840	817	669	1,023	1,272	cal yr
In-Home Supportive Services Caseload	1,729	1,759	1,708	1,733	1,788	1,760	1,759	1,762	1,881	cal yr
Out-of-Home Care, AVG Monthly Caseload (BU 5010)										
Foster Care Ongoing	284	272	293	278	271	388	255	281	238	cal yr
Court Dependent Children	284	272	293	278	271	374	255	281	238	cal yr
Aid to Adoptions	340	340	340	340	352	392	392	388	369	cal yr
Military and Veterans Affairs Caseload										
Items (BU 5010)										
Claims Filed	1,181	1,456	917	902	760	1,318	1,280	704	827	cal yr
Veterans Transported to VA Medical	nda	nda	nda	nda	nda	nda	nda	nda	nda	nda
Social Services (BU 5010)										
CalFresh	10,537	10,443	9,981	9,681	11,162	11,564	11,683	13,563	16,327	cal yr
Medi-Cal	19,615	22,217	24,202	23,784	34,894	33,554	33,746	35,545	39,917	cal yr
CalWORKs (BU 5130)										
Welfare to Work Participants	1,284	1,215	1,032	887	912	942	917	867	949	cal yr
Aid to Indigents (BU 5190)										
Regular General Assistance	756	576	587	565	524	490	108	369	324	cal yr
<b>EDUCATION</b>										
Library (BU 6110) [2]										
Customers Visiting Library	484,180	455,907	458,529	460,870	444,806	451,329	294,599	27,971	184,169	285,985
Library Program Participants [3]	10,534	15,483	22,916	29,856	31,139	28,160	22,175	25,444	24,919	33,844
Total Checkouts - items with a limited loan period	558,955	559,428	581,786	601,833	597,837	643,797	558,288	317,431	511,734	570,083

Notes:

1. Years 2014 through 2021 are reported on a calendar year basis.
  2. Library statistics decreased markedly in FY 2021 due to COVID-19.
  3. Includes both 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EDUCATION</b>										
Branch Libraries [1]	5	5	5	5	5	5	5	5	6	6
Bookmobiles [2]	1	1	1	1	1	1	1	1	2	2
<b>HEALTH/PUBLIC ASSISTANCE</b>										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	31	29	33	45	52	52	52	56	54	52
<b>FACILITIES, RECREATION &amp; CULTURAL</b>										
Buildings, owned	83	83	83	83	83	83	86	88	89	92
Buildings, co-owned	15	15	15	15	15	15	15	15	15	15
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	nda	nda	nda	nda	nda	nda	nda	nda	nda	nda
<b>SHERIFF</b>										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	44	46	49	52	54	54	54	52	52	64

Notes:

1. New Laytonville Branch Library opened 03/2023
2. Bookmobile; Outreach Van with items to check out in FY 2022.

nda - No data available

Source: County Departments