From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: ttc@mendocinocounty.org
Date: 3/15/2022 7:34:00 AM
Subject: Mendocino (County of) CA - Financial Data Request

Dear Shari:

Moody's currently maintains a credit rating on one or more pool financed bond issues in which Mendocino (County of) CA is a participant. We actively monitor our rating the bonds remain outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

As of today, we have not received your audited financial statements for the fiscal year ending June 30, 2021 and are seeking your assistance in acquiring this informati participation in a rated pool financing requires us to have current financial information on your entity, even if we don't have an individual outstanding rating on your orga

Please email the requested audit to us at MoodysPFGAudits@Moodys.com by April 10, 2022. If possible, please also add our contact information to your distribution lis may receive audits each year as they are released. Please ensure that the audit has a signed auditor's letter to verify that it is third party verified.

If your audited financial statements are not yet available, please send us your unaudited financial statements for fiscal year 2021 that have been, or will be, submitted to auditor. While sending unaudited financial statements does not completely fulfill this request, it will improve the likelihood that we will be able to properly maintain the po financing rating.

You will continue to receive reminder emails to submit audited financial statements even if you have submitted unaudited financial statements. If you have been placed auditing cycle and a complete audit will not be available for another year, please let us know by responding to this email. We apologize in advance if you continue to rec submission letters.

If you prefer to submit a hard copy of the audited financial statements, please send the document(s) to the address below:

Moody's PFG Audits
Moody's Investors Service
7WTC at 250 Greenwich Street
New York, NY 10007

If you have any additional questions, please call us at 212-553-9580, email us at MoodysPFGAudits@moodys.com, or contact the appropriate analyst in the table below

Office	States	Contact

New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856 Sharena Warren: Sharena.Warren@moodys.com (214) 979-6843

If you have already sent the requested information, please contact us so we can remove you from subsequent mailings regarding the 2021 audit review pro

Thank you in advance for your prompt response and cooperation.

Sincerely,

Moody's PFG Audits Team

Moody's monitors email communications through its networks for regulatory compliance purposes and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

From: "Dave Davies" <ddavies@willdan.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
"Kikie DeLong" <delongk@mendocinocounty.org>
Date: 3/31/2022 12:59:28 PM
Subject: Moody's Upgrade to Assured Guaranty

Hi Chamise and Kee,

I'm sorry for the quick turnaround but it has just come to our attention that Moody's announced yesterday that they have upgraded both Assured Guaranty Municipal Corp. and Assured Guaranty Corp. on 3/18/2022. This rating change affects the following issuance:

- 2012 Refunding COP

Unfortunately, that means the 10-business day filing deadline is today or tomorrow, depending on when the "10-business days after the rating change" is interpreted. We will prepare and send you the notice for your review today. Again, I apologize for the quick review turnaround time.

Please let me know if you have any questions.

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

WILLDAN

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590
T. 951.587.3520 800.755.6864
F. 951.587.3510 888.326.6864
ddavies@willdan.com

Willdan Financial Services is not advising or recommending any action be taken by the recipient of this information with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues).

From: "Dave Davies" <ddavies@willdan.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
"Kikie DeLong" <delongk@mendocinocounty.org>
Date: 3/31/2022 10:20:57 PM
Subject: RE: Moody's Upgrade to Assured Guaranty
Attachments: MC_2012COP_March2022NOLE_DraftToClient.pdf

Hi Chamise and Kee,

For your review, please find the attached notice that was prepared. Please review the notice and let me know if you have any questions or revisions. Otherwise, please give your authorization to disseminate if the notice meets your approval. Thanks!

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

WILLDAN

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From: Dave Davies <ddavies@willdan.com>
Sent: Thursday, March 31, 2022 12:59 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>; Kikie DeLong <delongk@mendocinocounty.org>
Subject: Moody's Upgrade to Assured Guaranty

Hi Chamise and Kee,

I'm sorry for the quick turnaround but it has just come to our attention that Moody's announced yesterday that they have upgraded both Assured Guaranty Municipal Corp. and Assured Guaranty Corp. on 3/18/2022. This rating change affects the following issuance:

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Please let me know if you have any questions.

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

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F. 951.587.3510 888.326.6864
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Willdan Financial Services is not advising or recommending any action be taken by the recipient of this information with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues).

Draft for discussion purposes only

COUNTY OF MENDOCINO

$25,760,000
REFUNDING AGREEMENTS OF PARTICIPATION, 2012 SERIES A

Dated: May 8, 2012
Base CUSIP+: 586603

NOTICE OF OCCURRENCE OF LISTED EVENT

Dated: March 18, 2022

WILLDAN

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OCCURRENCE OF LISTED EVENT – RATING CHANGE

This Notice of Occurrence of Listed Event ("Notice") has been prepared to satisfy the obligations of the County of Mendocino (the "County"), pursuant to Section 6 of that certain Continuing Disclosure Agreement, dated May 8, 2012 (the "Disclosure Agreement"), executed by the County, in connection with the execution and delivery of the $25,760,000 Refunding Certificates of Participation, 2012 Series A (the "Certificates") (the "Certificates") and the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

The following information is being provided as required by the Disclosure Agreement in order to comply with the County's obligations to notify owners of the Certificates, the participating underwriters, and the Repository of the occurrence of a Listed Event.

At issuance, the Certificates were insured by Assured Guaranty Municipal Corp. ("AGM").

- On March 18, 2022, Moody's Investors Service ("Moody's") upgraded its Insurance Financial Strength Rating (IFSR) on AGM from 'A2' to 'A1'. As a result, Moody's upgraded its Insured Ratings on the Certificates from 'A2' to 'A1'.

Information from the rating agencies regarding the ratings actions may be obtained from such rating agencies. This Notice may contain information material to certificate owners and does not purport to contain all material information with respect to the Certificates or the financial condition of the County. The information contained in the Notice is not guaranteed as to accuracy or completeness.

COUNTY OF MENDOCINO
www.mendocinocounty.org

Chamise Cubbison
Acting Auditor-Controller
501 Low Gap Road
Ukiah, California 95482

DISCLOSURE CONSULTANT & DISSEMINATION AGENT

Willdan Financial Services
Temecula, California 92590
(951) 587-3500
www.willdan.com

From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Kikie DeLong" <delongk@mendocinocounty.org>
"Dave Davies <ddavies@willdan.com>" <ddavies@willdan.com>
Date: 4/1/2022 8:33:01 AM
Subject: RE: Moody's Upgrade to Assured Guaranty

Hi Dave,

Please go ahead and disseminate.

Thank you,

Chamise Cubbison
Acting Auditor-Controller
Mendocino County
501 Low Gap Rd., Rm 1080
Ukiah, CA 95482
Phone: 707-234-6871

CONFIDENTIALITY NOTICE: This e-mail/message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by "reply" e-mail and destroy all copies of the original message.

>>> Dave Davies <ddavies@willdan.com> 3/31/2022 10:20 PM >>>
Hi Chamise and Kee,

For your review, please find the attached notice that was prepared. Please review the notice and let me know if you have any questions or revisions. Otherwise, please give your authorization to disseminate if the notice meets your approval. Thanks!

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

WILLDAN

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590
T. 951.587.3520 800.755.6864
F. 951.587.3510 888.326.6864
ddavies@willdan.com

Willdan Financial Services is not advising or recommending any action be taken by the recipient of this information with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues).

From: Dave Davies <ddavies@willdan.com>
Sent: Thursday, March 31, 2022 12:59 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>; Kikie DeLong <delongk@mendocinocounty.org>
Subject: Moody's Upgrade to Assured Guaranty

Hi Chamise and Kee,

I'm sorry for the quick turnaround but it has just come to our a en on that Moody's announced yesterday that they have upgraded both Assured Guaranty Municipal Corp. and Assured Guaranty Corp. on 3/18/2022. This rating change affects the following issuance:

- 2012 Refunding COP

Unfortunately, that means the 10-business day filing deadline is today or tomorrow, depending on when the "10-business days a er the ra ng change" is interpreted. We will prepare and send you the no ce for your review today. Again, I apologize for the quick review turnaround time.

Please let me know if you have any questions.

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590
T. 951.587.3520 800.755.6864
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From: "Dave Davies" <ddavies@willdan.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
"Kikie DeLong" <delongk@mendocinocounty.org>
Date: 4/1/2022 8:34:45 AM
Subject: RE: Moody's Upgrade to Assured Guaranty

Thank you!

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

WILLDAN

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27368 Via Industria, Suite 200
Temecula, California 92590
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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, April 1, 2022 8:33 AM
To: Kikie DeLong <delongk@mendocinocounty.org>; Dave Davies <ddavies@willdan.com>
Subject: RE: Moody's Upgrade to Assured Guaranty

CAUTION: This email originated from outside of Willdan. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Dave,

Please go ahead and disseminate.

Thank you,

Chamise Cubbison
Acting Auditor-Controller
Mendocino County
501 Low Gap Rd., Rm 1080
Ukiah, CA 95482
Phone: 707-234-6871

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>>> Dave Davies <ddavies@willdan.com> 3/31/2022 10:20 PM >>>
Hi Chamise and Kee,

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if you have any questions or revisions. Otherwise, please give your authorization to disseminate if the notice meets your approval. Thanks!

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

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Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

WILLDAN

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27368 Via Industria, Suite 200
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From: "Dave Davies" <ddavies@willdan.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
"Kikie DeLong" <delongk@mendocinocounty.org>
Date: 4/1/2022 3:50:07 PM
Subject: RE: Moody's Upgrade to Assured Guaranty
Attachments: MC_2012COP_March2022NOLE.pdf

Hi Chamise and Kee,

For your records, please find the attached final version of the notice that was disseminated. I will send the invoice for this next week. Thanks and have a great weekend!

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

WILLDAN

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590
T. 951.587.3520 800.755.6864
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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, April 1, 2022 8:33 AM
To: Kikie DeLong <delongk@mendocinocounty.org>; Dave Davies <ddavies@willdan.com>
Subject: RE: Moody's Upgrade to Assured Guaranty

CAUTION: This email originated from outside of Willdan. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Dave,

Please go ahead and disseminate.

Thank you,

Chamise Cubbison
Acting Auditor-Controller
Mendocino County
501 Low Gap Rd., Rm 1080
Ukiah, CA 95482
Phone: 707-234-6871

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>>> Dave Davies <ddavies@willdan.com> 3/31/2022 10:20 PM >>>
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For your review, please find the attached notice that was prepared. Please review the notice and let me know if you have any questions or revisions. Otherwise, please give your authorization to disseminate if the notice meets your approval. Thanks!

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

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From: Dave Davies <ddavies@willdan.com>
Sent: Thursday, March 31, 2022 12:59 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>; Kikie DeLong <delongk@mendocinocounty.org>
Subject: Moody's Upgrade to Assured Guaranty

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- 2012 Refunding COP

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Please let me know if you have any questions.

Best Regards,

Dave Davies- Assistant Director
Federal Compliance Group

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COUNTY OF MENDOCINO

$25,760,000
REFUNDING AGREEMENTS OF PARTICIPATION, 2012 SERIES A

Dated: May 8, 2012
Base CUSIP+: 586603

NOTICE OF OCCURRENCE OF LISTED EVENT

Dated: March 18, 2022

WILLDAN

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OCCURRENCE OF LISTED EVENT – RATING CHANGE

This Notice of Occurrence of Listed Event ("Notice") has been prepared to satisfy the obligations of the County of Mendocino (the "County"), pursuant to Section 6 of that certain Continuing Disclosure Agreement, dated May 8, 2012 (the "Disclosure Agreement"), executed by the County, in connection with the execution and delivery of the $25,760,000 Refunding Certificates of Participation, 2012 Series A (the "Certificates") (the "Certificates") and the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

The following information is being provided as required by the Disclosure Agreement in order to comply with the County's obligations to notify owners of the Certificates, the participating underwriters, and the Repository of the occurrence of a Listed Event.

At issuance, the Certificates were insured by Assured Guaranty Municipal Corp. ("AGM").

- On March 18, 2022, Moody's Investors Service ("Moody's") upgraded its Insurance Financial Strength Rating (IFSR) on AGM from 'A2' to 'A1'. As a result, Moody's upgraded its Insured Ratings on the Certificates from 'A2' to 'A1'.

Information from the rating agencies regarding the ratings actions may be obtained from such rating agencies. This Notice may contain information material to certificate owners and does not purport to contain all material information with respect to the Certificates or the financial condition of the County. The information contained in the Notice is not guaranteed as to accuracy or completeness.

COUNTY OF MENDOCINO
www.mendocinocounty.org

Chamise Cubbison
Acting Auditor-Controller
501 Low Gap Road
Ukiah, California 95482

DISCLOSURE CONSULTANT & DISSEMINATION AGENT

Willdan Financial Services
Temecula, California 92590
(951) 587-3500
www.willdan.com

From: "Julie Forrester" <forresterj@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 4/18/2022 9:01:50 AM
Subject: Fwd: Mendocino (County of) CA - Reminder: Financial Data Request

>>> Tax Collector 4/18/2022 7:01 AM >>>

>>> Moodys PFG Audits <MoodysPFGAudits@moodys.com> 04/18/22 4:13 AM >>>

Dear Shari:

Moody's currently maintains a credit ra ng on one or more pool financed bond issues in which Mendocino (County of) CA is a par cipant. We ac vely monitor our ra ngs as long as the b remain outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

As of today, we have not received your audited financial statements for the fiscal year ending June 30, 2021 and are seeking your assistance in acquiring this information. Your partici rated pool financing requires us to have current financial informa on on your en ty, even if we don't have an individual outstanding ra ng on your organiza on.

This letter serves as our second request for 2021 audited financial statements. Please email the requested audit to MoodysPFGAudits@Moodys.com by April 30, 2022. If possible, plea our contact informa on to your distribu on list so that we may receive audits each year as they are released. Please ensure that the audit has a signed auditor's le er to confirm that it i verified.

If your audited financial statements are not yet available, please send us your unaudited financial statements for fiscal 2021 that have been, or will be, submitted to your auditor. Whi unaudited financial statements does not completely fulfill this request, it will improve the likelihood that we will be able to properly maintain your rating.

You will continue to receive reminder emails to submit audited financial statements even if you have submitted unaudited financial statements. If you have been placed on a biennial and a complete audit will not be available for another year, please let us know by responding to this email. We apologize in advance if you continue to receive submission letters.

If you prefer to submit a hard copy of the audited financial statements, please send the document(s) to the address below:

Moody's PFG Audits
Moody's Investors Service
7WTC at 250 Greenwich Street
New York, NY 10007

If we do not receive the requested 2021 audited financial statements by May 24, 2022, we may need to place the pooled financing rating on review for possible rating action.

Once the ra ng is under review and the informa on is s ll not forthcoming, a Moody's ra ng commi ee will then review the situa on and take an appropriate ac on, which could include, other actions, the lowering and/or possible withdrawal of the rating assigned to the bonds.

If you have any additional questions, please call us at 212-553-9580, email us at MoodysPFGAudits@moodys.com, or contact the appropriate analyst in the table below:

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856 Sharena Warren: Sharena.Warren@moodys.com (214) 979-6843

If you have already sent the requested information, please contact us so we can remove you from subsequent mailings regarding the 2021 audit review process.

Thank you in advance for your prompt response and cooperation.

Sincerely,

Moody's PFG Audits Team

Moody's monitors email communications through its networks for regulatory compliance purposes and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any

computer virus which may be transferred via this e-mail message.

From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: MoodysPFGAudits@moodys.com
Date: 4/22/2022 1:54:05 PM
Subject: Fwd: Mendocino (County of) CA - Reminder: Financial Data Request

Please note that Treasurer-Tax Collector Shari Schapmire has retired.

The Financial Report for Fiscal Year 2020-2021 has not yet been issued. We anticipate that it will be issued by May 31, 2022 and will try to see if it can be completed by May 24th. We do not have unaudited financial statements for distribution as they are prepared by our outside auditors who are wrapping up their audit.

We will add your contact information to our distribution list.

Sincerely,

Chamise Cubbison
Acting Auditor-Controller
Mendocino County
501 Low Gap Rd., Rm 1080
Ukiah, CA 95482
Phone: 707-234-6871

>>> Tax Collector 4/18/2022 7:01 AM >>>
>>> Moodys PFG Audits <MoodysPFGAudits@moodys.com> 04/18/22 4:13 AM >>>

Dear Shari:

Moody's currently maintains a credit ra ng on one or more pool financed bond issues in which Mendocino (County of) CA is a par cipant. We ac vely monitor our ra ngs as long as the b remain outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

As of today, we have not received your audited financial statements for the fiscal year ending June 30, 2021 and are seeking your assistance in acquiring this information. Your partici rated pool financing requires us to have current financial informa on on your en ty, even if we don't have an individual outstanding ra ng on your organiza on.

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If your audited financial statements are not yet available, please send us your unaudited financial statements for fiscal 2021 that have been, or will be, submitted to your auditor. Whi unaudited financial statements does not completely fulfill this request, it will improve the likelihood that we will be able to properly maintain your rating.

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If you prefer to submit a hard copy of the audited financial statements, please send the document(s) to the address below:

Moody's PFG Audits
Moody's Investors Service
7WTC at 250 Greenwich Street
New York, NY 10007

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If you have any additional questions, please call us at 212-553-9580, email us at MoodysPFGAudits@moodys.com, or contact the appropriate analyst in the table below:

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856 Sharena Warren: Sharena.Warren@moodys.com (214) 979-6843

If you have already sent the requested information, please contact us so we can remove you from subsequent mailings regarding the 2021 audit review process.

Thank you in advance for your prompt response and cooperation.

Sincerely,

Moody's PFG Audits Team

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From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 4/22/2022 1:54:26 PM
Subject: Automatic reply: Mendocino (County of) CA - Reminder: Financial Data Request

MOODY'S

Thank you for your email!

If you have submitted a final audit complete with a signed auditor's letter, you should no longer receive email/written communication regarding your fiscal 2021 financial statements.
If you have already submitted financials and continue to receive email and/or written requests from Moody's, you may have:

1. **Mailed a hard copy of your audit**: If you have submitted a hard copy of your audit, please allow additional time for processing.
2. **Submitted unaudited, draft, or unsigned financial statements:** Submitting unaudited financial statements does not fully complete our request for information, as we require full and complete audited financial statements. However, submitting unaudited financial statements significantly reduces the risk of having your rating withdrawn.
3. **Been placed on a biennial auditing cycle:** If you are on a biennial auditing cycle and will not have an audit until the next fiscal year, please let us know by responding to this email, contacting your lead analyst, or one of the appointed contact persons below.

We apologize in advance if you have submitted financial information and continue to receive reminders.
If you have any additional questions, please contact your lead analyst or one of the following individuals:

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New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	**Mary Ann Fitzgerald:** Maryann.Fitzgerald@moodys.com (212) 553-7197 **Carolann Ratliff:** Carolann.Ratliff@moodys.com (212) 553-7766
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San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	**Cisco Moran:** Cisco.Moran@moodys.com (415) 274-1703

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Kikie DeLong" <delongk@mendocinocounty.org>
Date: 4/22/2022 1:57:47 PM
Subject: Fwd: Mendocino (County of) CA - Reminder: Financial Data Request

Hi Kee,

Please be sure to add the distribution request below to your list of agencies that need to receive the final report.

Thank you,

Chamise
>>> Chamise Cubbison 4/22/2022 1:54 PM >>>
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From: "Kikie DeLong" <delongk@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 4/24/2022 4:41:52 PM
Subject: Re: Fwd: Mendocino (County of) CA - Reminder: Financial Data Request

---

Will do, thanks!
>>> Chamise Cubbison 4/22/2022 1:57 PM >>>
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		Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
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From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: ttc@mendocinocounty.org
Date: 5/24/2022 1:45:08 AM
Subject: Mendocino (County of) CA - Final Reminder: Financial Data Request

Dear Shari:

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From: ttc <ttc@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 5/24/2022 9:48:34 AM
Subject: FW: Mendocino (County of) CA - Final Reminder: Financial Data Request

FYI

From: Moodys PFG Audits <MoodysPFGAudits@moodys.com>
Sent: Tuesday, May 24, 2022 1:45 AM
To: ttc <ttc@mendocinocounty.org>
Subject: Mendocino (County of) CA - Final Reminder: Financial Data Request
Importance: High

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From: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
To: cubbisoc@mendocinocounty.org
Date: 6/17/2022 10:40:34 AM
Subject: Moody's Request for Information
Attachments: Moody's Sector In-Depth - Update to local government insufficient information practice 5.9.18.pdf

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Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond rating on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this rating, we require timely financial information from all of the pool participants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information by **Thursday, June 30**, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

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MOODY'S
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SECTOR IN-DEPTH
9 May 2018

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Public finance - US

Update to local government insufficient information practice

We recently updated our insufficient information practice, which identifies local government issuers that fail to provide timely audited financial information. To maintain ratings, we require complete audits within 12 months of the fiscal year-end. In certain circumstances, we accept unaudited financial statements with the expectation that the complete audit is soon to come. In these cases, if we do not have a complete audit 18 months after the fiscal year-end, we will convene a rating committee to consider whether we can maintain the rating. This new practice is effective July 1, 2018 for fiscal years ending after July 1, 2017.

» **What is insufficient information and why is it important?** Insufficient information is an analytical judgment that there is a lack of enough current data or third-party verified financial reporting to support a credit rating. We are required to review all of our ratings on an annual basis with updated financial information. As we do our annual reviews, we identify issuers for which we do not have updated third-party verified financial information. When a rating committee determines that we do not have sufficient, reliable and timely information to maintain a rating, we withdraw it.

» **What is our new process**? If we do not receive the final audit within 12 months of the fiscal year-end, we require unaudited information that will be reviewed by a committee to determine its sufficiency. Under our new practice, if the final audit is not submitted within 18 months, regardless of the quality of unaudited statements provided, we will consider withdrawing the rating. The requirements for biennial issuers are slightly different.

» **Ripple effects of insufficient information**. Many of our ratings are linked to other ratings in various manners. If we withdraw an issuer's rating, ratings that depend on the withdrawn rating (such as through a reference rating relationship) or to which the withdrawn rating is an input (such as pool financed ratings) will also be withdrawn in most cases.

What is insufficient information and why is it important?

Insufficient information is an analytical judgment that there is lack of enough current data or third-party verified financial reporting to support a credit rating. We regularly review our records to identify issuers that have not provided updated third-party verified financial information. We review all of our ratings on an annual basis with new financial information. In addition to our annual review requirements, many of our methodologies require timely reporting of financial data.[1]

In our opinion, timely reporting of financial statements means publishing audited financial statements within 12 months after the end of the fiscal year (i.e., we require the audit for an issuer's fiscal year ending June 30, 2017 by June 30, 2018). It is important for us to receive audited information within one year of the fiscal year closing because local government issuers typically only report annual audited information. In contrast, corporate issuers, for example, provide quarterly statements allowing for more real-time reaction to changes in financial health.

If a local government's audit is not completed within 12 months of the end of the fiscal year, we accept unaudited financial statements as a stopgap measure until the final audit is completed. This is common for local governments in states such as Alabama, Georgia, and Washington where the state is required to conduct the audits. Our new practice, effective July 1, 2018, requires that we receive the final audit within 18 months after the fiscal year ends, regardless of the quality of unaudited statements provided 12 months after the fiscal year end. When these requirements are not met we will consider withdrawing the rating.

On average, of the relatively small number of issuers that provide sufficient and reliable unaudited information in lieu of an audit, 75% of that group provide the complete audit within 18 months of the fiscal year's end.

What is our new process?

We have updated our practice regarding the withdrawal of ratings when issuers have not provided third-party verified audited financial statements within one year of the fiscal year-end. Below is an example timeline and detailed description of the events that occur for an issuer with a September 30 fiscal year-end when we have not received a timely audit.

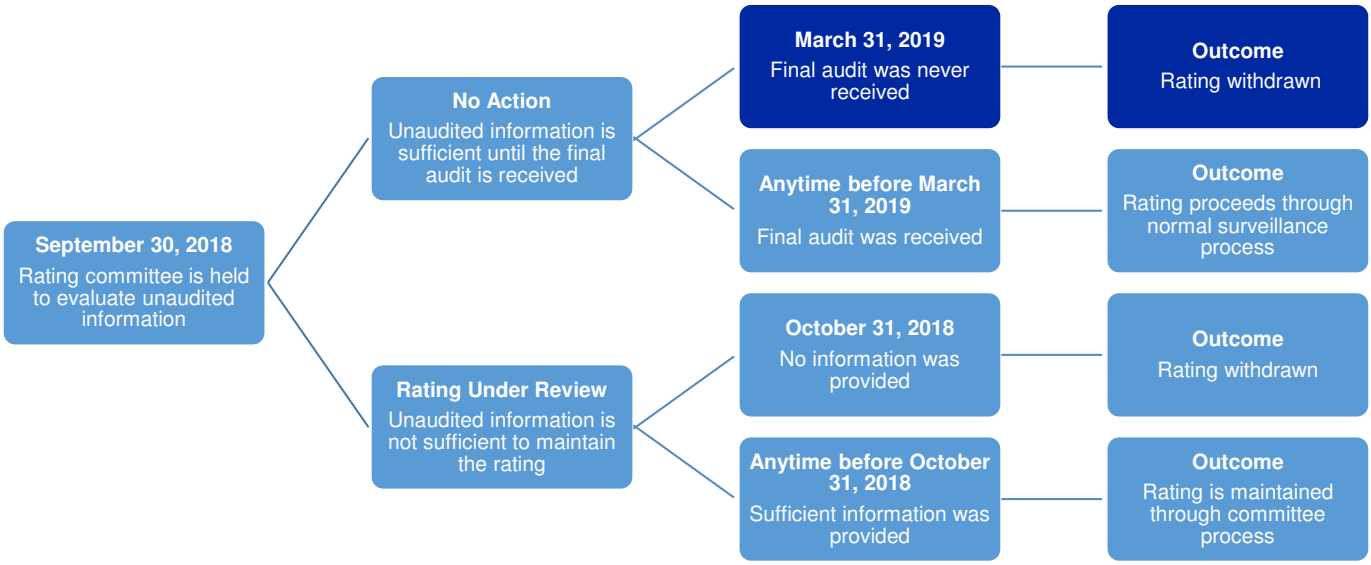


1. September 30, 2017: The issuer's fiscal year ends. This marks the start of our clock for receiving audits for fiscal year 2017.
2. June 15, 2018 (8.5 months after the fiscal year ends): The issuer receives an initial email 8.5 months after the fiscal year ends as a reminder to submit the fiscal 2017 audit. The email is sent by our data collection team.
3. July 15, 2018 (9.5 months after the fiscal year ends): The issuer receives a second reminder email 9.5 months after the fiscal year ends as a reminder to submit the fiscal 2017 audit if we still have not received the audit. If an issuer provides unaudited information, it will still receive reminder emails to provide the audited financial statements.
4. August 1, 2018 (10 months after the fiscal year ends): The issuer receives a final certified letter 10 months after the end of the fiscal year. This is the last communication our data collection team has with the issuer before rating analysts reach out to the issuer.
5. September 1, 2018 (11 months after the fiscal year ends): A local government analyst contacts the issuer to investigate the outstanding audit request. The assigned analyst will be the point of contact for the issuer through the rest of this process. The analyst will continue to check in with the issuer and issuer's financial adviser, auditor or state to check on the status of the audit.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

6. September 30, 2018 (12 months after the fiscal year ends): A full year after the fiscal year has ended, a rating committee will convene to evaluate all of the issuers that have not provided audited financial statements for fiscal year end 2017. The rating committee will review all of the unaudited statements provided and evaluate their sufficiency. With respect to each rating, the rating committee will either place the rating under review for withdrawal due to insufficient information or take no action. A press release will announce ratings placed under review for insufficient information.

The "decision tree" below shows the steps that take place after an issuer is either placed under review for withdrawal due to insufficient information or no action is taken.



No action taken

For issuers that provide sufficient unaudited interim financial information, there are two possible outcomes after we have decided to take no action:

» Scenario 1: *The issuer provides sufficient interim financial statements but does not provide the full audit by March 31, 2019, six months after we took no action and 18 months after the fiscal year 2017 ended.* At this point, under our new practice, we will consider withdrawing the rating because the delay in receiving final audited information is too long.

» Scenario 2: *The issuer provides final audited statements anytime before March 31, 2019*. Upon receipt of new financials we begin our standard surveillance process and the rating is not withdrawn for insufficient information.

Rating placed under review

For issuers that do not provide sufficient unaudited interim financial information and are placed under review on September 30, 2018, there are also two possible outcomes.

» Scenario 1: *The issuer provides no sufficient information within 30 days and a second rating committee withdraws the rating 13 months after the fiscal year ends.*

» Scenario 2: *The issuer provides sufficient information within 30 days and a full rating committee is convened to resolve the under review status*. The committee can take any rating action, including confirmation, upgrade, downgrade, assignment of an outlook, or no action. In cases in which unaudited information is provided during the review period, the rating may be withdrawn if a complete audit is not provided within 18 months of fiscal year-end.

Issuers on a biennial auditing cycle

The new process to assess insufficient information does not affect issuers that follow a biennial auditing cycle. Biennial issuers are required to provide sufficient interim financial statements during the "off-year." For example, if an issuer is expected to complete an audit for fiscal years ending June 30, 2018 and 2019, the issuer will be required to provide sufficient unaudited information at the end of fiscal 2018.

The issuer, however, is still required to provide a full, complete, two-year audit within 12 months of the biennial fiscal year-end. If the biennial issuer does not have a final two-year audit within 12 months of the fiscal year-end, it will be placed on review for possible withdrawal due to insufficient information. An auditing cycle longer than two years does not provide sufficient independent verification for us to maintain a rating.

In the same example, the issuer's fiscal 2018 and 2019 biennial audit will be due by June 30, 2020 for fiscal years 2018 and 2019. If the final audit is not complete at that time, the issuer will be placed under review on June 30, 2020 and will follow the same process as explained above. Unaudited information for fiscal 2018 and 2019 provided on June 30, 2020 does not lead to additional time for this biennial issuer.

Ripple effects of insufficient information

There are downstream effects on other ratings when an issuer does not provide timely audited statements. Downstream effects can include the withdrawal of related ratings and pool ratings when an issuer does not provide timely audited statements.

Issuer rating inputs

In September 2017, we began publishing issuer ratings that are used as inputs for other US public finance ratings. These issuer-level reference ratings provide the market with more transparency regarding how we arrive at the rating for securities that utilize the general obligation limited tax (GOLT) portion of the US Local Government General Obligation Debt methodology or are based on other methodologies that use general obligation (GO) ratings as inputs including: Lease, Appropriation, Moral Obligation, and Comparable Debt of US State and Local Governments, US Public Finance Special Tax, and the US Municipal Utility Revenue Debt.[2]

When we assign an issuer-level reference rating, we have determined that there is a significant enough connection between the general government and the related debt that we need to have an issuer-level rating to rate the related debt. As such, we require information on the reference rating in order to maintain the "family of ratings." If we do not receive audits for the related issuer, we may withdraw both ratings due to insufficient information.

Pool program and pool financing ratings

Similar to reference ratings, we maintain ratings on many pool financings and programs. Pool ratings begin with evaluating the creditworthiness of the individual participants based on the security of participants' obligations to the pool (i.e., if the pool is a GO of its participants, we would base the pool rating on the GO ratings of the underlying participants). Because pool ratings are based on the individual pool participants' ratings, we require the same timely audited information from the pool participants as we do for standalone ratings, whether the participants' rating is public or used for our purposes internally. As explained above, we reserve the right to withdraw ratings on issuers that have not provided timely sufficient information. If we withdraw a rating on a single issuer and it is also part of a pool financing rating, we will also consider withdrawing the rating on the pool financing in some instances.

For example, Pool A has three participants, towns X, Y and Z and town Y does not provide its audit within the timeline described above. We could place the entire pool rating under review because without updated information about town Y, we cannot be confident that its current credit quality is the same as when the rating was first assigned. Further, if town Y does not provide sufficient information within the under review time frame, we could withdraw town Y's rating and the entire pool financing rating.

Moody's related publications

Sector In-Depth

» Plan to publish Issuer Ratings used as inputs for other US public finance ratings, July 31, 2017

» Moody's Framework for Monitoring US Municipal Ratings, May 17, 2017

Special Comment

» New Requirement for Audited Financial for Rating NY Local Governments, August 1, 2013

Sector Comment

» Minimum of Biennial Audits Required to Maintain Credit Rating, January 6, 2016

Moody's Investors Service Policies

» Policy for Withdrawal of Credit Ratings, August 7, 2017

Endnotes

1 For more information on our rating surveillance process, please reference "Moody's Framework for Monitoring US Municipal Ratings."

2 For more information regarding issuer input ratings, please reference "Plan to publish Issuer Ratings used as inputs for other US public finance ratings."

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
Date: 6/17/2022 11:12:51 AM
Subject: RE: Moody's Request for Information

Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County information across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond rating on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this rating, we require timely financial information from all of the pool participants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information by **Thursday, June 30**, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

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From: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 6/17/2022 3:18:53 PM
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

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Hi Abhinav,

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Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
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participants. If the county’s final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information by **Thursday, June 30**, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
Date: 6/17/2022 4:27:49 PM
Subject: RE: Moody's Request for Information

Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

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Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County information across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond rating on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this rating, we require timely financial information from all of the pool participants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information by **Thursday, June 30**, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

.....
Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com
.....

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From: "Ribble, Karen \(Analytical\)" <karen.ribble@fitchratings.com>
To: weerl@mendocinocounty.org
Date: 6/23/2022 1:01:41 PM
Subject: Fitch-Rated Debt Verification - Mendocino County (CA) [General Government]

Fitch Ratings annually seeks to confirm via e-mail the accuracy of issuance ratings data that are published on our website and made available to rating users via other distribution channels.

If corrections or other adjustments to the description(s) listed below are required, please reply to this email with relevant details and we will update our database within 30 business days.

If no response is received within 10 business days we will assume the information is correct.

Par amount, if included in the description, is par at issuance and does not need to be updated to account for principal reduction.

Thank you.

Karen Ribble
FitchRatings

Our records for you reflect the following outstanding Fitch-rated issues:

--Mendocino County (CA) pension oblig rfdg bonds ser 2002

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From: "Ribble, Karen \(Analytical\)" <karen.ribble@fitchratings.com>
To: weerl@mendocinocounty.org
Date: 6/29/2022 7:10:13 AM
Subject: Fitch annual review

Dear Mr. Weer,

I am working on Fitch's annual surveillance review of the county's credit rating. Fitch currently has an 'A+' issuer default rating and a 'A' rating on the county's 2002 pension obligation bonds.

I was unable to locate the county's fiscal 2021 ACFR on the county website or on EMMA. If available, please forward that to me. If it is not complete, please provide information on why is has not yet completed this report.

If you have any questions, please call me at 415-732-5611 or via email.

Best,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

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From: "Lloyd Weer" <weerl@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 6/30/2022 11:16:05 AM
Subject: Fw: Fitch-Rated Debt Verification - Mendocino County (CA) [General Government]

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Thursday, June 23, 2022 1:01 PM
To: Lloyd Weer <weerl@mendocinocounty.org>
Cc: PF Operations <pfops@fitchratings.com>; pf fmrp <pf.fmrp@fitchratings.com>
Subject: Fitch-Rated Debt Verification - Mendocino County (CA) [General Government]

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Thank you.

Karen Ribble
FitchRatings

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--Mendocino County (CA) pension oblig rfdg bonds ser 2002
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From: "Lloyd Weer" <weerl@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 6/30/2022 11:17:13 AM
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

Dear Mr. Weer,

I am working on Fitch's annual surveillance review of the county's credit ra ng. Fitch currently has an 'A+' issuer default ra ng and a 'A' ra ng on the county's 2002 pension obliga on bonds.

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If you have any questions, please call me at 415-732-5611 or via email.

Best,
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Karen Ribble
(She/Her/Hers)
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(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: karen.ribble@fitchratings.com
Date: 7/6/2022 6:16:27 PM
Subject: FW: Fitch annual review

Hi Karen,

The County is awaiting final sign off from the County's audit firm and hopes to have the 2020-21 ACFR released by the end of this week.

We will forward as soon as we receive the final approval.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Lloyd Weer <weerl@mendocinocounty.org>
Sent: Thursday, June 30, 2022 11:17 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

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From: "Ribble, Karen \(Analytical\)" <karen.ribble@fitchratings.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 7/6/2022 7:13:07 PM
Subject: Re: Fitch annual review

Thank you Chamise. I will keep my eye out for the audit later this week.
Best,
Karen

Get Outlook for iOS

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 6, 2022 6:16:27 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: FW: Fitch annual review

Hi Karen,

The County is awai ng final sign o from the County's audit firm and hopes to have the 2020-21 ACFR released by the end of this week.

We will forward as soon as we receive the final approval.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Lloyd Weer <weerl@mendocinocounty.org>
Sent: Thursday, June 30, 2022 11:17 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

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From: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 7/13/2022 4:11:18 PM
Subject: RE: Moody's Request for Information

Hi Chamise,

Hope this email finds you well. I am writing to follow up on the earlier communication. I was hoping to check if the financial statements (ACFR) have been issued. If yes, could you please provide them before the end of this week? If the final audited statements have not been issued yet, please provide unaudited statements. This will prevent the rating from going under review.

Let me know if you have any additional questions.

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 4:28 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

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Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

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Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

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Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

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Thanks again,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
Date: 7/13/2022 5:39:34 PM
Subject: RE: Moody's Request for Information

Hi Abhinav,

We just received the final review copy this afternoon and hope to have it officially issued by end of this week.

We will send to you as soon as its available.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

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Sent: Wednesday, July 13, 2022 4:11 PM
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Best,

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Associate Lead Analyst
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abhinav.joshi@moodys.com

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moodys.com
.....

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From: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 7/14/2022 10:05:12 AM
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your email. Looking forward to receiving the reports by COB Friday (07/15).

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 13, 2022 5:40 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We just received the final review copy this afternoon and hope to have it officially issued by end of this week.

We will send to you as soon as its available.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Wednesday, July 13, 2022 4:11 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Hope this email finds you well. I am writing to follow up on the earlier communication. I was hoping to check if the financial statements (ACFR) have been issued. If yes, could you please provide them before the end of this week? If the final audited statements have not been issued yet, please provide unaudited statements. This will prevent the rating from going under review.

Let me know if you have any additional questions.

Best,

Abhinav Joshi
Associate Lead Analyst

abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 4:28 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial

Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County information across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond rating on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this rating, we require timely financial information from all of the pool participants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information by **Thursday, June 30**, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

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From:	"Kikie DeLong" <delongk@mendocinocounty.org>
To:	MoodysPFGAudits@Moodys.com
Date:	7/14/2022 4:13:06 PM
Subject:	County of Mendocino FY 2021 ACFR
Attachments:	2021 County of Mendocino ACFR.pdf

Hello,

Please see attached FY 2021 Annual Comprehensive Financial Report for County of Mendocino.

Thank you,

Kikie M. DeLong
Chief Deputy Auditor-Controller
Direct (707) 234-6873 | Office (707) 234-6860 | Fax (707) 467-2503
COUNTY OF MENDOCINO | Office of the **Auditor-Controller**
501 Low Gap Rd., Ste. 1080, Ukiah, CA 95482
delongk@mendocinocounty.org | www.mendocinocounty.org

COUNTY OF

MENDOCINO

STATE OF CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the
Fiscal Year Ended
June 30, 2021

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

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

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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

MENDOCINO
1850
COUNTY

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MENDOCINO
1850
COUNTY



INTRODUCTORY SECTION

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

MENDOCINO COUNTY

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

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

CHAMISE CUBBISON

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

July 14, 2022

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

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

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

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

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

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

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

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

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

OVERVIEW OF MENDOCINO COUNTY

County History and Geography

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

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



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



Majestic Redwoods

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

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



Timber production



Wine production



Bartlett pears



Cannabis

County Structure

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

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

County Services

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

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

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



Mendocino County Administration Center, Ukiah, CA



Mendocino County Sheriff's Office, Ukiah, CA

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

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



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

County Cultural Services & Recreation

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

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

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

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



Mendocino County Museum, Willits, CA

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

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

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


Bower Park


Faulkner Park

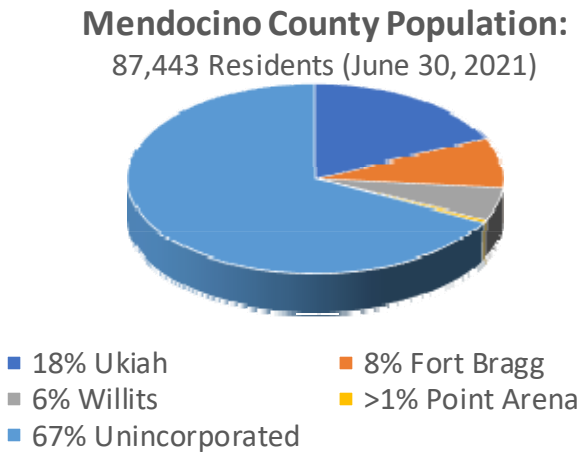

Mill Creek Park


RV Lions Club Park

County Population

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


Ukiah, CA



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

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



Fort Bragg, CA



Willits, CA



Point Arena, CA

LOCAL ECONOMY

Agribusiness

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

Timber

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



Agricultural Production

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

Sources:

1. Mendocino County Crop Report 2020

2. State of California Employment Development Department (QCEW industry estimates)

Cannabis

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

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

Total licenses (provisional & approved): 1,310
Total cultivated area (indoor/mixed light/outdoor): 11.2 million square feet (291 acres)
Total production: 192,541 pounds, with a gross value of $131 million.





Labor Force and Unemployment

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



Real Estate/Housing

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

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

BUDGETARY PROCESS

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

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

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

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

Factors Affecting Financial Condition

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

COMPONENT UNITS

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

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

LONG-TERM FINANCIAL PLANNING

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

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

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

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

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

Appropriations

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

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

Capital Improvements

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

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

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

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

RELEVANT FINANCIAL POLICIES

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

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

Source:
1. Mendocino County Adopted Budget, FY 2021-22

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

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

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

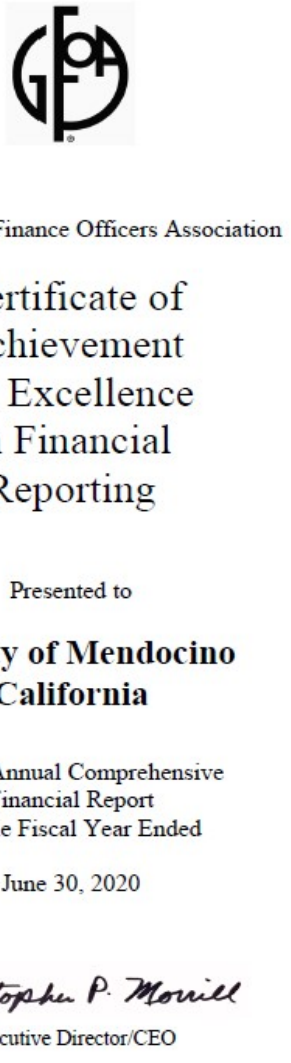
Cost Recovery through Fees: Whenever possible, utilize fees to recover costs where reasonable and after all cost savings options have been explored.

CERTIFICATE OF ACHIEVEMENT

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

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

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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Mendocino California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

ACKNOWLEDGEMENTS

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

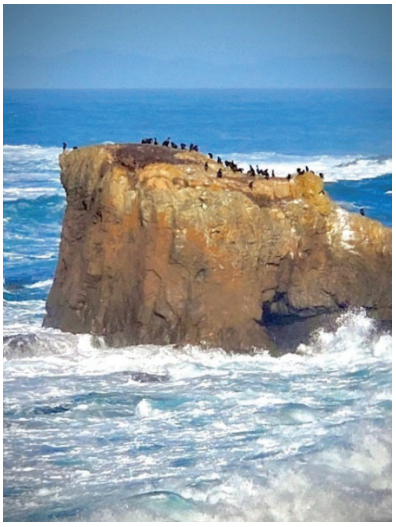
Respectfully Submitted:

Chamise Cubbison

Auditor-Controller/Treasurer-Tax Collector







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

MENDOCINO
1850
COUNTY

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





Glenn McGourty
District 1



Mo Mulheren
District 2



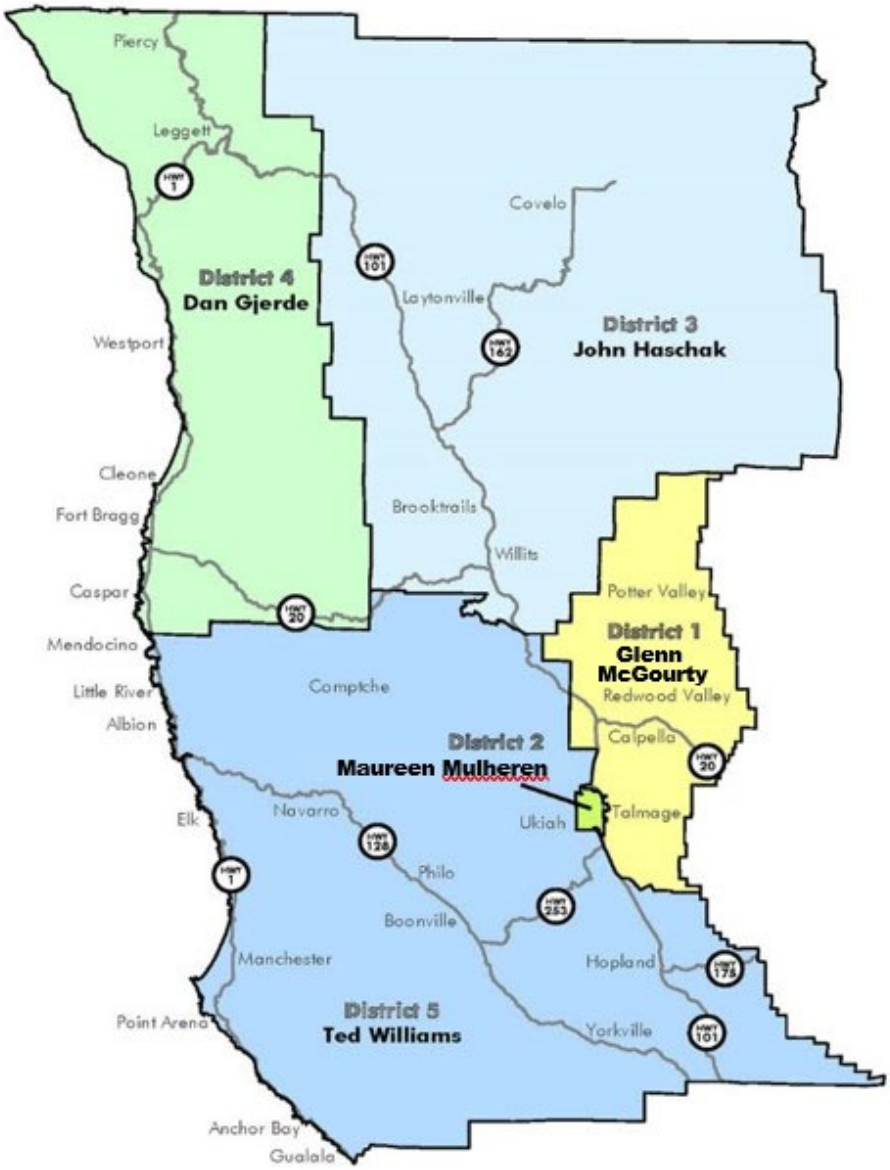
John Haschak
District 3



Dan Gjerde
District 4



Ted Williams
District 5



COUNTY OF MENDOCINO
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2021

Elected Officials:

Legislative Branch/Board of Supervisors:

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

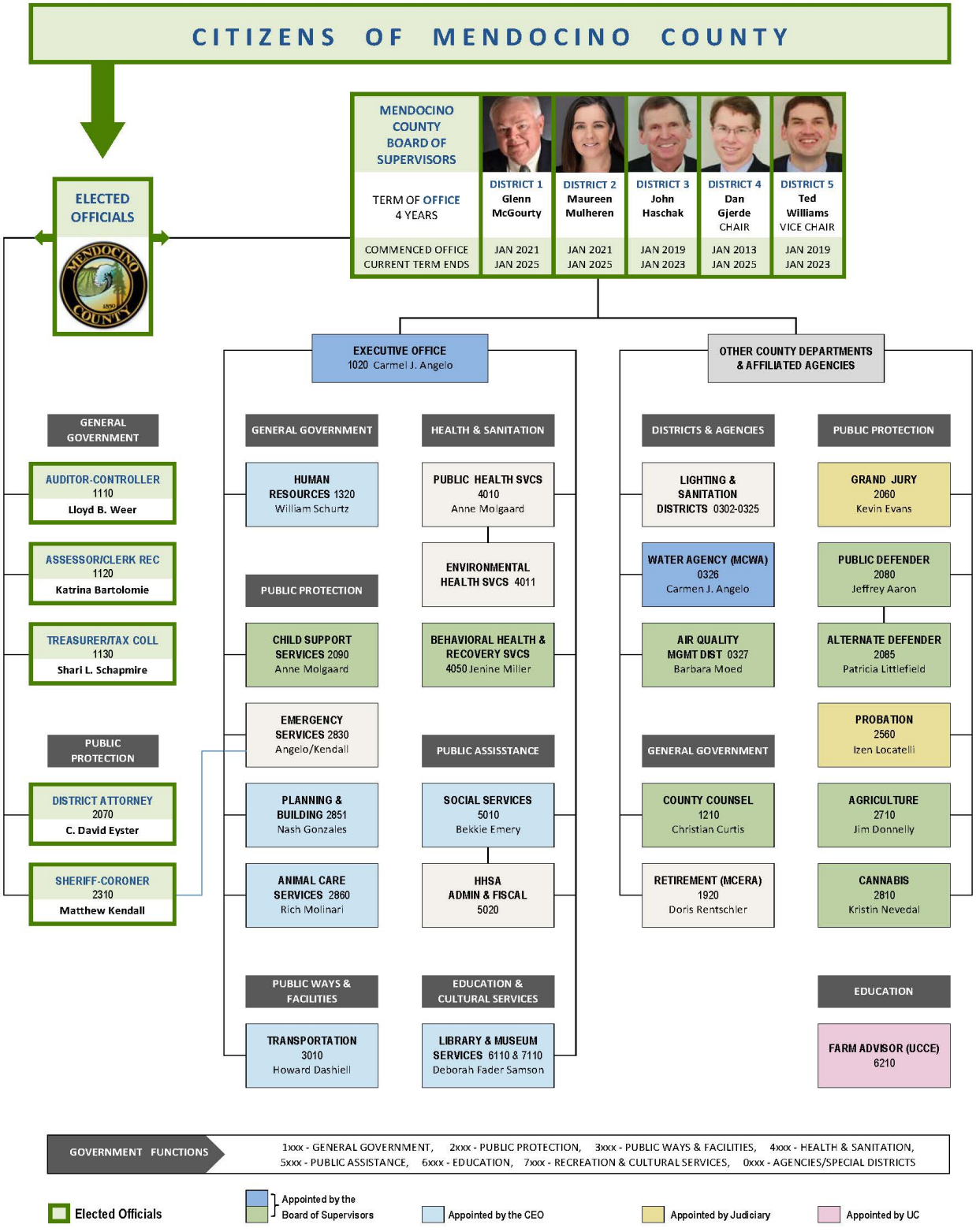
Executive Branch:

Assessor-County Clerk-Recorder ..... Katrina Bartolomie
Auditor-Controller ..... Lloyd B. Weer
District Attorney ..... C. David Eyster
Sheriff-Coroner ..... Matthew Kendall
Treasurer-Tax Collector ..... Shari L. Schapmire

Appointed Department Heads:

Agricultural Commissioner/Sealer ..... Jim Donnelly
Alternate Defender ..... Patricia Littlefield
Animal Care Services Director ..... Rich Molinari
Chief Executive Officer ..... Carmel J. Angelo
Chief Probation Officer ..... Izen Locatelli
Child Support Services Director ..... Anne Molgaard
County Counsel ..... Christian Curtis
Cultural Services Director ..... Deborah Fader Samson
Health and Human Services Agency Director ..... Bekkie Emery
Human Resources Director ..... William Schurtz
Planning and Building Director ..... Nash Gonzalez
Public Defender ..... Jeffrey Aaron
Retirement Association Executive Director ..... Doris Rentschler
Transportation Director ..... Howard Dashiell

COUNTY OF MENDOCINO
ORGANIZATION CHART
JUNE 30, 2021



MENDOCINO
1850
COUNTY



FINANCIAL SECTION

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

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Prior period adjustments

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

Other Matters

Required Supplementary Information

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

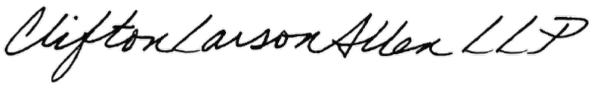
Other Information

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

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

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

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



CliftonLarsonAllen LLP

Roseville, California
July 14, 2022

MENDOCINO
1850
COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MENDOCINO
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COUNTY

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

Financial Highlights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

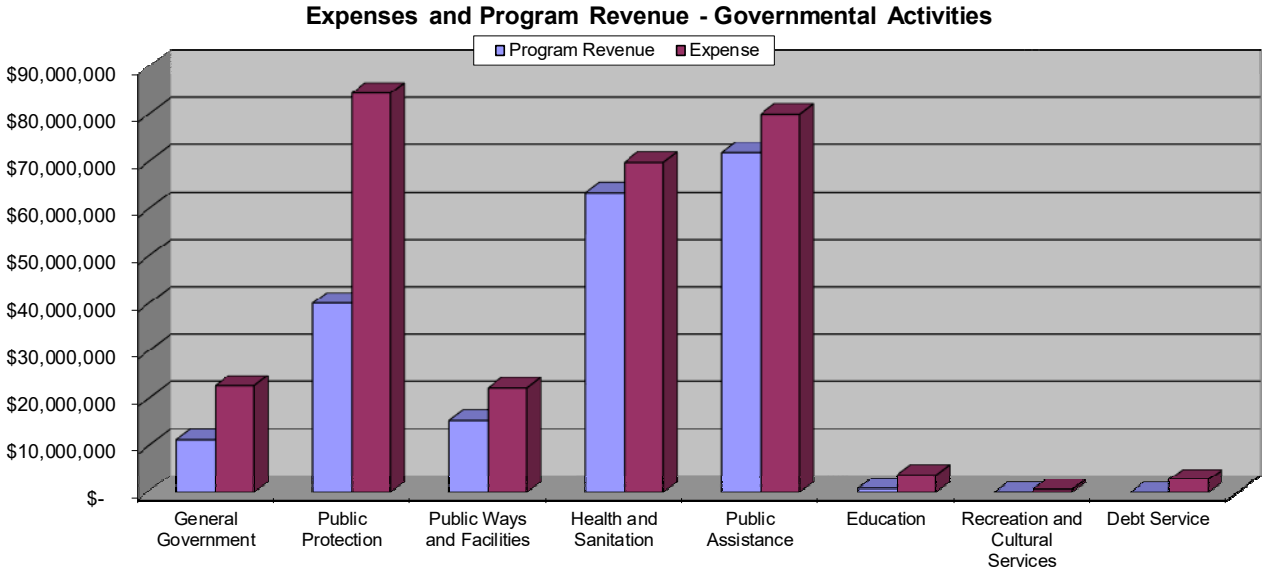
	2021	2020
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	$ 22,902,671	$ 21,148,724
Operating Grants and Contributions	177,463,841	145,480,971
Capital Grants and Contributions	3,404,935	3,191,180
General Revenues		
Property Taxes	55,714,699	51,499,607
Sales and Use Taxes	31,030,406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

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

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

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

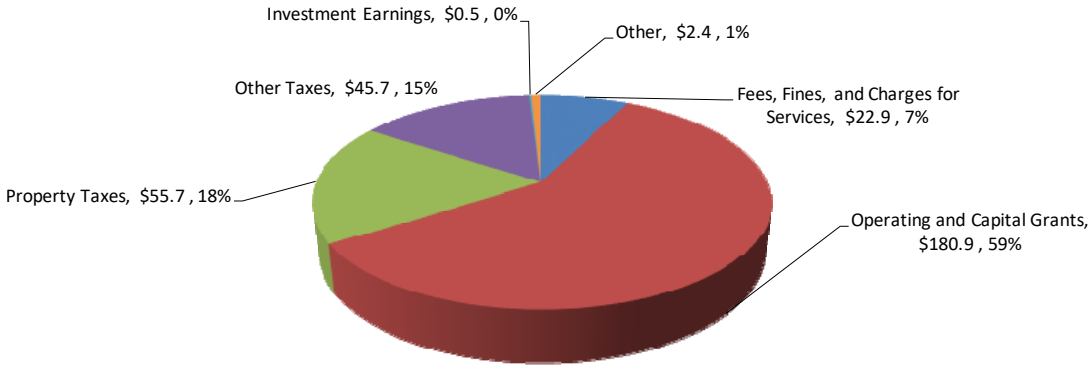
As shown in the following chart, program revenues are less than the expenses in all functional areas.



Expenses and Program Revenue

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

Revenues by Source (in millions) - Governmental Activities



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

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

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

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

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

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

Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Asset and Debt Administration.

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

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

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

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of $54,365,000.

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

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

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

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

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

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

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

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

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

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

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BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
JUNE 30, 2021

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

Fund Balance - Total Governmental Funds	$ 137,252,928
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	21,620,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	143,137,748
Deferred outflows of resources reported in the Statement of Net Position.	54,038,138
Internal service funds are used by the County to charge the cost of insurance, software acquisition and vehicle replacement services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:	5,203,295
Deferred inflows of resources reported in the statement of net position.	(41,617)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position.	
Bonds Payable	(39,655,000)
Certificates of Participation	(14,710,000)
Accrued Interest on Long-Term Debt	(1,099,205)
Compensated Absences	(5,689,688)
Pension Liability	(247,246,342)
Landfill Closure/Post Closure Care Costs	(9,206,155)
Net Position of Governmental Activities	$ 43,604,461

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, 2021

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

Net Change to Fund Balance - Total Governmental Funds		$ 5,714,486
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	$ 25,566,378	
Less: Current Year Depreciation	(7,043,514)	
		18,522,864
Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.		7,247,585
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal and Refunded Debt Repayments:		
Bonds Payable	5,440,000	
Certificates of Participation	1,230,000	
		6,670,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Long-Term Debt	158,128	
Change in Compensated Absences	(908,753)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(14,977,727)	
Change in Liability for Closure/Post Closure Care	432,200	
		(15,296,152)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.		(2,323,340)
Change in Net Position of Governmental Activities		$ 20,535,443

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	328,054
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	356,261
Increase (Decrease) in:	
Accounts Payable	(400,084)
Accrued Salaries	3,500
Compensated Absences	(1,604)
Claims Liability	(213,817)
Net Cash Provided (Used) by Operating Activities	$ (4,214,604)

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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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.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

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

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

Blended Component Units

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

Discretely Presented Component Units

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

Fiduciary Component Units

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following major governmental funds:

- The *General* Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreational services.

- The *Debt Service Fund* is used to accumulate funds for the payment of debt service on the Certificates of Participation.

- The *Pension Obligation Bonds Fund* is used to accumulate funds for the payment of debt service on the Pension Obligation Bonds. Deposits are made on each pay period from amounts charged to the individual departments, based on retirement participation.

- The *Mental Health Services Fund* is a special revenue fund whose revenues are legally restricted for specified mental health purposes. The financial activities of the Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003. Revenues consist primarily of intergovernmental revenues and charges for services.

- The *Road Fund* is a special revenue fund that provides for planning, design, construction, maintenance, and administration of County maintained roads. Revenues consist primarily of highway user taxes and other intergovernmental revenues.

- The *Mental Health Treatment Fund* is a sales tax special revenue fund entirely dedicated to improve services, treatment and facilities for persons with mental health conditions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the County's vehicle replacement and software acquisition services provided to other departments or to other governments and self-insurance programs – unemployment, general liability, workers' compensation, and health insurance benefits, on a cost-reimbursement basis.

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Custodial Funds* account for assets held by the County as an agent for various local governments. The agency funds maintained by the County include two separate components.

    - County Departmental – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

    - Unapportioned Taxes – Accounts for property tax receipts awaiting apportionment to other local agencies.

- The *Pension Trust Fund* accounts for the pooled cash held in the County Treasury for the Mendocino County Employees' Retirement Association.

C. Measurement Focus and Basis of Accounting

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

D. Cash and Investments

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

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

E. Cash and Cash Equivalents

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

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

G. Inventories

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

H. Restricted Assets

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

I. Net Position/Fund Balance

Net Position

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

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position/Fund Balance (Continued)

Fund Balances

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

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors with a 4/5 vote. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

- *Assigned Fund Balance* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

- *Unassigned Fund Balance* – is the residual classification and includes all amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance, other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes. Positive unassigned amounts are technically available for any purposes.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Tax Revenue

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

Alternative Method of Distribution of Tax Levies

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

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

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

K. Capital Assets

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

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

The estimated useful lives are as follows:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

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

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

M. Pensions

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions (Continued)

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

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

N. Interfund Transactions

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Estimates

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

P. Current Governmental Accounting Standards Board (GASB) Pronouncements

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

NOTE 2 CASH AND INVESTMENTS

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

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

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

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

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

Deposits – Custodial Risk

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

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

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%

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurements

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

Level 1 - Investments reflect prices quoted in active markets;

Level 2 - Inputs to the valuation methodology include:

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

Level 3 - Investments reflect prices based upon unobservable sources.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

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

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

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (Continued)

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

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

County Investment Pool Condensed Financial Statements

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

Statement of Net Position

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

Statement of Changes in Net Position

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

NOTE 3 ENDOWMENTS

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

NOTE 4 INTERFUND TRANSACTIONS

Transfers

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

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

NOTE 5 CAPITAL ASSETS

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

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

Depreciation expense was charged to governmental functions as follows:

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

NOTE 6 LONG-TERM LIABILITIES

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

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2021
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	$39,655,000
Refunding Certificates of Participation:					
2012 Series (Issued to Refund 2002 and 2000 Series COPs that funded the construction of capital assets)	7/15/2012 - 7/15/2030	1.00% - 4.30%	$975,000 - $1,830,000	$ 25,810,000	$ 14,710,000

A. Summary of Long-Term Liabilities

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

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

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

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

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

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Leases

Operating Leases

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

C. Compensated Absences

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

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

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

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

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2021, investments of $4,434,249 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

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

NOTE 8 NET POSITION/FUND BALANCES

Net Position

Net investment in capital assets was comprised of the following:

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

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Fund Balances

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

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

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Prior Period Adjustment

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

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

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

	Fiduciary Fund Statements	
	Investment Trust Funds	Custodial Funds
Net position as of June 30, 2020, as previously reported	$ 196,546,975	$ -
Cumulative Effect of Change in Accounting Principle		
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	9,568,812	14,860,848
Total prior period adjustments	9,568,812	14,860,848
Net position as of July 1, 2020	$ 206,115,787	$ 14,860,848

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.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans

Plan Descriptions

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

Benefits Provided

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

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

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

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

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Benefits Provided (Continued)

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

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

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

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

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

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

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

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

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Contributions

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

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

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

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

Contributions - Employer	$ 25,478,430

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

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

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	$ 247,246,342

NOTE 9 PENSION PLANS (CONTINUED)

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

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

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

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

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

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

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

NOTE 9 PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

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

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

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

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

Discount Rate

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

NOTE 9 PENSION PLANS (CONTINUED)

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

Discount Rate (Continued)

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

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

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

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

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

Pension Plan Fiduciary Net Position

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

NOTE 10 CONTINGENCIES

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. County Counsel had indicated that probable potential claims against the County are $50,000 to $100,000, while possible potential claims against the County range in the area of $1,000,000. The general liability self-insurance program would cover probable claims losses for which adequate reserves have been maintained.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 11 RISK MANAGEMENT

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

A. Unemployment Insurance

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

B. General Liability Insurance

The County maintains a self-insured retention (SIR) of $200,000 per occurrence for this program. Losses which exceed the SIR are covered by excess insurance obtained through CSAC-Excess Insurance Authority.

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

NOTE 11 RISK MANAGEMENT (CONTINUED)

B. General Liability Insurance (Continued)

The administration of this program is a joint effort between the Risk Management Division and the Office of the County Counsel. The liability for unpaid claims was based on actual outstanding claims at June 30, 2021, plus an amount for "incurred but not reported claims." The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The liability of $1,073,771 includes incurred but not reported claims.

C. Workers' Compensation

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

D. Health Insurance

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

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

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

NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

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

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

NOTE 13 DEFICIT FUND BALANCE

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

MENDOCINO
1850
COUNTY

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

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

Last 10 Fiscal Years*

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

Notes to Schedule

Valuation Date:

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

Schedule of the County's Contributions

Last 10 Fiscal Years*

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

Notes to Schedule

Valuation Date:

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

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

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

See accompanying Notes to Required Supplementary Information.

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

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

See accompanying Notes to Required Supplementary Information.

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

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

Total Revenues from the Budgetary Comparison Schedule	$ 213,729,308
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports a portion of the disbursement as a reduction of the taxes revenue.	(4,761,819)
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 208,967,489
Total expenditures from the budgetary comparison schedule	$ 192,146,689
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,924,491)
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports the disbursement as a reduction of taxes revenue.	(4,761,819)
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 180,460,379

See accompanying Notes to Required Supplementary Information.

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

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

See accompanying Notes to Required Supplementary Information.

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

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

See accompanying Notes to Required Supplementary Information.

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

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

See accompanying Notes to Required Supplementary Information.

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

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

See accompanying Notes to Required Supplementary Information.

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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SUPPLEMENTARY INFORMATION

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OTHER BUDGETARY SCHEDULES

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

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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

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

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

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

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

- **COPS AB 1913**
  COPS (Citizen's Options for Public Safety) is funded by the Supplemental Law Enforcement Services Fund (SLESF). The fund is established in each County pursuant to California Government Code §30061-30065. The formula for allocating COPS funds is as follows:

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

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

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

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

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

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

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

- **SPECIAL DISTRICTS OTHER**
  There are currently three other special districts as follows:

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

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

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

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 (HHSA) maximizes realignment funds by participating in the Inter-Governmental Transfer (IGT) opportunity with Partnership HealthPlan of California (PHC) to access additional Medi-Cal funding to provide services to Medi-Cal eligible beneficiaries. This fund accounts for the realignment health services funds and other federal funds awarded to support the health and wellbeing of Medi-Cal beneficiaries throughout Mendocino County.

- **WHOLE PERSON CARE**
  The Whole Person Care fund accounts for Medi-Cal 2021 grants, awarded through California's Section 115(a) Medicaid Waiver, for the Health and Human Services Agency's Whole Person Care Pilot Program, which aims to improve the wellbeing of Mendocino County residents experiencing mental illness, social isolation and/or poor health through enhanced inter-agency collaboration, peer support, and care coordination.

CAPITAL PROJECTS

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

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

2. CAPITAL PROJECTS (BU 1712)
This fund provides for the construction of major capital facilities projects. Currently, these funds are reserved exclusively for the upcoming expansion project at the Mendocino County Jail. Over the past several of years the Board has set aside $1 million to be used for local cash match for the project. In 2017, the Bureau of State and Community Corrections (BSCC) announced that Mendocino County was conditionally awarded $25 million in lease revenue bond funding to expand the local jail. This project will take several years to complete, and is currently projected to be ready for occupancy in 2021. No other capital projects will be administered through this budget unit until the jail project is completed.

PERMANENT FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTERNAL SERVICE FUNDS

MENDOCINO
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COUNTY

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INVESTMENT TRUST FUNDS

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INVESTMENT TRUST FUNDS

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

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

- **SCHOOL DISTRICTS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for the Counties' schools and college.

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

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

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

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

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STATISTICAL SECTION

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

COUNTY OF MENDOCINO
STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

					[2]
	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	$ 74,699	$ 75,464	$ 77,487	$ 83,929	$ 89,588
Restricted	23,253	29,746	30,589	29,584	30,684
Unrestricted	(31,191)	(26,506)	(28,097)	(162,305)	(159,976)
Total Primary Government Net Position	$ 66,761	$ 78,704	$ 79,979	$ (48,792)	$ (39,704)

	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Governmental Activities:					
Net Investment in Capital Assets	$ 94,282	$ 102,445	$ 109,538	$ 109,188	$ 129,961
Restricted	33,815	50,179	70,808	70,808	105,021
Unrestricted	(163,487)	(177,033)	(177,546)	(160,349)	(191,378)
Total Primary Government Net Position	$ (35,390)	$ (24,409)	$ 2,800	$ 19,647	$ 43,604

Notes:

1. Accounting standards require that net position be reported in the three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position are considered restricted when (1) externally imposed by creditors (such as debt covenants), grantors, contributor, or law or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

2. Due to the implementation of GASB 68 in FY 2015, the County is now required to recognize net pension liability on the financial statements.

Source: Mendocino County Auditor-Controller

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

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

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

Source: Mendocino County Auditor-Controller

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,475	$ 2,947	$ 2,911	$ 2,846	$ 3,220
Public Protection	8,752	8,105	9,954	9,306	9,987
Public Ways and Facilities	329	303	268	234	247
Health and Sanitation	4,106	4,130	3,218	3,692	4,114
Public Assistance	281	100	142	274	219
Education	36	49	49	62	50
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	93,886	101,039	102,164	105,656	110,986
Capital Grants and Contributions	2,666	3,484	4,431	6,410	6,391
Total Primary Government Program Revenues	113,531	120,157	123,137	128,480	135,214
Total Primary Net Expense	$ (65,433)	$ (49,421)	$ (59,451)	$ 123,770	$ (60,193)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,731	$ 4,403	$ 9,111	$ 3,639	$ 4,024
Public Protection	11,091	9,626	9,602	10,321	9,045
Public Ways and Facilities	263	325	955	346	482
Health and Sanitation	3,843	5,944	10,696	6,396	7,934
Public Assistance	444	539	523	400	620
Education	57	-	58	29	787
Recreation and Culture	-	-	10	17	10
Operating Grants and Contributions	115,677	130,234	135,467	145,481	177,464
Capital Grants and Contributions	4,974	3,756	6,468	3,191	3,405
Total Primary Government Program Revenues	140,080	154,827	172,890	169,821	203,771
Total Primary Net Expense	$ (67,438)	$ (77,408)	$ (64,282)	$ (95,463)	$ (83,821)

Source: Mendocino County Auditor-Controller

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 40,622	$ 41,490	$ 41,090	$ 43,773	$ 46,801
Sales and Use Taxes	10,723	12,752	13,396	14,687	14,507
Transient Occupancy Tax	3,556	3,618	3,856	4,491	4,945
Other	287	334	388	426	429
Unrestricted Interest and Investment Earning	1,026	780	375	274	431
Gain on Sale of Assets	-	-	155	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	2,428	1,939	1,467	4,258	2,168
Total Primary Government	58,642	60,913	60,727	67,909	69,281
Change in Net Position					
Total Primary Government	$ (6,791)	$ 11,492	$ 1,276	$ 67,909	$ 9,088

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 48,171	$ 50,490	$ 51,843	$ 51,500	$ 55,715
Sales and Use Taxes	14,912	17,480	25,084	24,743	31,030
Transient Occupancy Tax	5,152	5,682	5,872	4,785	7,961
Other	504	2,025	4,660	6,227	6,727
Unrestricted Interest and Investment Earning	719	1,396	1,683	3,141	549
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	-	-	22,652	-
Miscellaneous	2,294	2,638	2,347	2,136	2,375
Total Primary Government	71,752	79,711	91,490	115,183	104,357
Change in Net Position					
Total Primary Government	$ 4,314	$ 2,303	$ 27,208	$ 19,721	$ 20,535

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,				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	$ 102	$ 77	$ 91	$ 115	$ 133
Restricted	-	-	-	-	-
Assigned	221	-	15,572	19,403	24,390
Unassigned	12,147	18,682	11,693	15,330	12,938
Total General Fund	$ 12,470	$ 18,759	$ 27,356	$ 34,848	$ 37,461
All Other Governmental Funds					
Nonspendable	$ 597	$ 589	$ 651	$ 692	$ 666
Restricted	16,815	20,776	25,281	24,060	24,094
Assigned	-	-	-	-	407
Unassigned	(9)	(10)	(9)	(10)	-
Total All Other Governmental Funds	17,403	21,355	25,923	24,742	25,167
Total Governmental Funds Balances	$ 29,873	$ 40,114	$ 53,279	$ 59,590	$ 62,628

	June 30,				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	$ 115	$ 139	$ 177	$ 230	$ 263
Restricted	-	7,071	8,330	9,074	8,714
Assigned	27,541	29,626	25,887	25,542	50,404
Unassigned	8,931	6,936	12,336	35,503	21,605
Total General Fund	$ 36,587	$ 43,772	$ 46,730	$ 70,349	$ 80,987
All Other Governmental Funds					
Nonspendable	$ 525	$ 589	$ 534	$ 571	$ 1,208
Restricted	33,357	31,286	46,947	57,594	65,322
Assigned	997	587	771	1,138	1,121
Unassigned	(1)	-	(22)	(1,536)	-
Total All Other Governmental Funds	34,878	32,462	48,230	57,767	67,652
Total Governmental Funds Balances	$ 71,465	$ 76,234	$ 94,960	$ 128,117	$ 148,639

Source: Mendocino County Auditor-Controller

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

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

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

Source: Mendocino County Auditor-Controller

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

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

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

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

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are 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 XIIIA, 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 limites the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Mendocino County Property Tax Records

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

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

Source: Mendocino County Property Tax Records

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

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

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

Source: Mendocino County Property Tax Records

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

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

Notes:

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

Source: Mendocino County Auditor-Controller

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

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

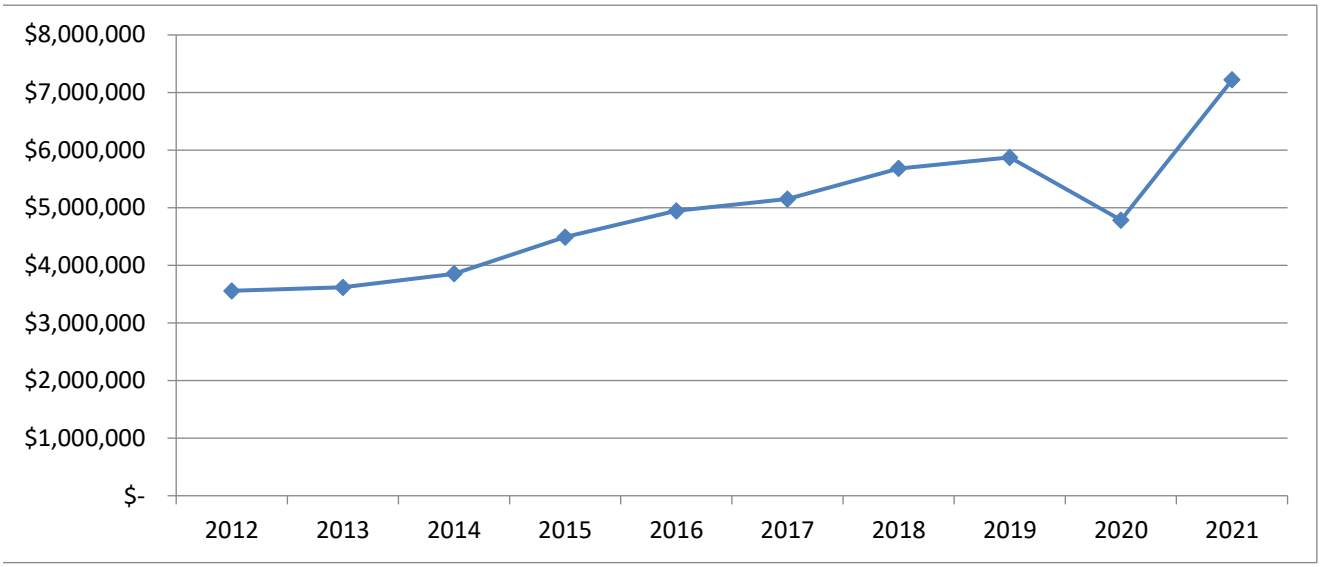
Type of Business	Fiscal Year Ended June 30, 2017	2018	2019	2020	2021
Motor Vehicle & Parts Dealers	$ 181,773	$ 183,042	$ 180,355	$ 206,502	$ 245,473
Home Furnishings & Appliance Stores	27,913	27,654	26,134	26,901	35,418
Building/Garden Material & Equipment	176,471	168,996	174,335	208,847	254,826
Food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

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

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

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

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



Source: Mendocino County Auditor-Controller

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

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

Notes:

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

Source: Mendocino County Auditor-Controller

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

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

Notes:

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

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
ASSESSED VALUATION
JUNE 30, 2021

2020-21 Assessed Valuation (Includes Unitary Utility Valuation) $ 12,636,231,964

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

RATIOS of 2020-21 ASSESSED VALUATIONS

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

Notes:

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

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

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

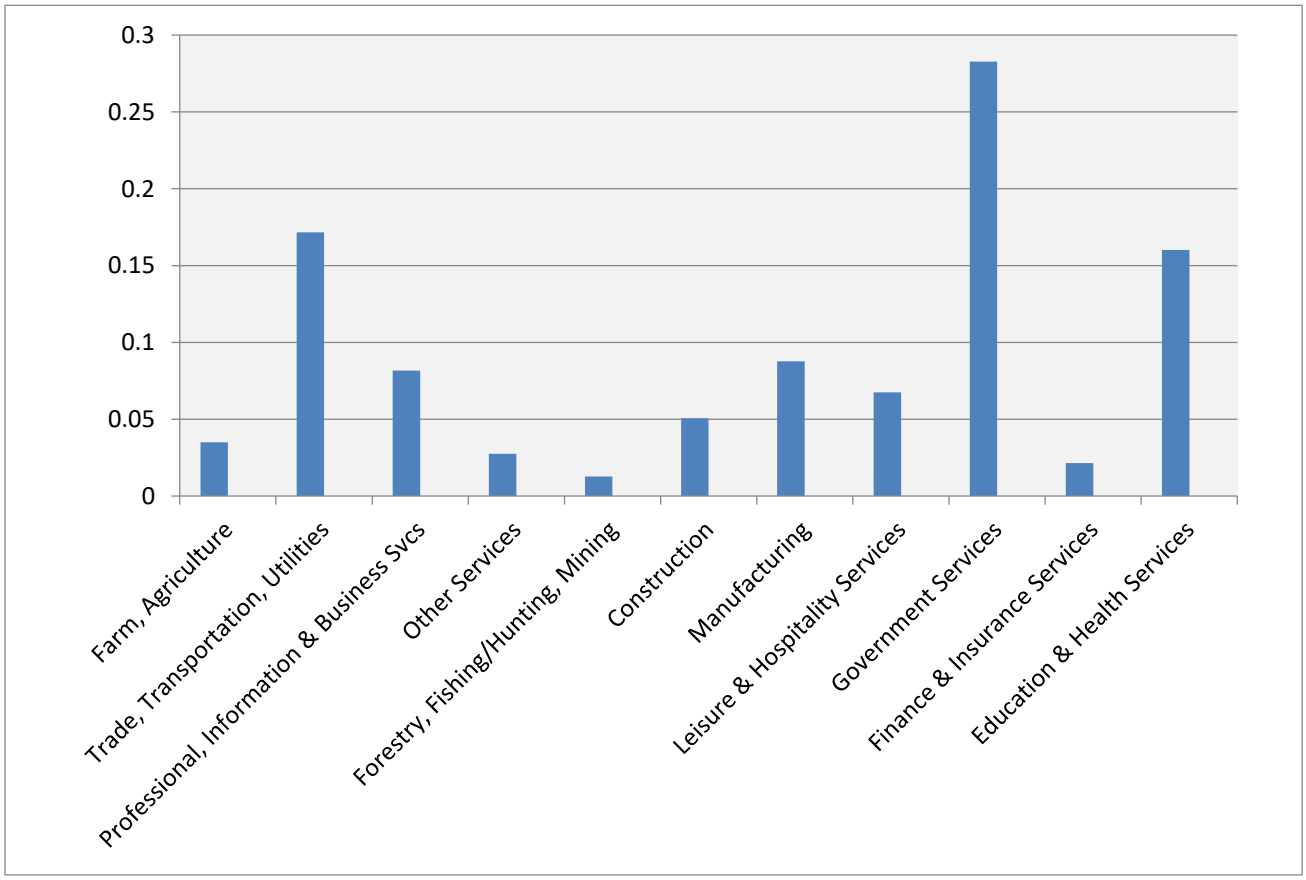
Note: Current Calendar Year data not yet available.

Source:

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

COUNTY OF MENDOCINO
INDUSTRY EMPLOYMENT DISTRIBUTION
MOST RECENT YEAR

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



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

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

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

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

Notes:

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

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

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

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

Source: Mendocino County Adopted Budget Book, Position Allocations

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

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

Notes:

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

nda - No data available

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

Source: County Departments

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

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

Notes:

1. State AVERAGE is 7 days (s*ource: CalEQRO, or BHC, FY 2019-20 Statewide External Quality Review Report prepared for CA DHCS).* AVERAGEs have been rounded to the closest whole number.

nda - No data available

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

Source: County Departments

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

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

Notes:

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

nda - No data available

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

Source: County Departments

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

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

Notes:

1. 2021 Additions:
   - Whitmore Lane Skilled Nursing Facility (an alternate care site for COVID-19 isolation)
   - Live Oak Apartments (Project Homekey transitional housing for homeless)

nda - No data available

Source: County Departments

MENDOCINO
1850
COUNTY

From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: "Kikie DeLong" <delongk@mendocinocounty.org>
Date: 7/14/2022 4:17:23 PM
Subject: Automatic reply: County of Mendocino FY 2021 ACFR

MOODY'S

Thank you for your email!

If you have submitted a final audit complete with a signed auditor's letter, you should no longer receive email/written communication regarding your fiscal 2021 financial statements.
If you have already submitted financials and continue to receive email and/or written requests from Moody's, you may have:

1. **Mailed a hard copy of your audit**: If you have submitted a hard copy of your audit, please allow additional time for processing.
2. **Submitted unaudited, draft, or unsigned financial statements:** Submitting unaudited financial statements does not fully complete our request for information, as we require full and complete audited financial statements. However, submitting unaudited financial statements significantly reduces the risk of having your rating withdrawn.
3. **Been placed on a biennial auditing cycle:** If you are on a biennial auditing cycle and will not have an audit until the next fiscal year, please let us know by responding to this email, contacting your lead analyst, or one of the appointed contact persons below.

We apologize in advance if you have submitted financial information and continue to receive reminders.
If you have any additional questions, please contact your lead analyst or one of the following individuals:

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	**Mary Ann Fitzgerald:** Maryann.Fitzgerald@moodys.com (212) 553-7197 **Carolann Ratliff:** Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	**Julani Grisby:** Julani.Grisby@moodys.com (312) 706-9978 **Cindy Jacobshagen:** Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	**Mary Jane Dodds:** Mary.Dodds@moodys.com (214) 979-6856 **Sharena Warren:** Sharena.Warren@moodys.com (214) 979-6843
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	**Cisco Moran:** Cisco.Moran@moodys.com (415) 274-1703

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
Date: 7/14/2022 4:33:20 PM
Subject: RE: Moody's Request for Information

Hi Abhinav,

The report was just submitted at 4:13pm to MoodysPFGAudits@Moodys.com

Do you also need the report?

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Thursday, July 14, 2022 10:05 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your email. Looking forward to receiving the reports by COB Friday (07/15).

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 13, 2022 5:40 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We just received the final review copy this afternoon and hope to have it officially issued by end of this week.

We will send to you as soon as its available.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Wednesday, July 13, 2022 4:11 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Hope this email finds you well. I am writing to follow up on the earlier communication. I was hoping to check if the financial statements (ACFR) have been issued. If yes, could you please provide them before the end of this week? If the final audited statements have not been issued yet, please provide unaudited statements. This will prevent the rating from going under review.

Let me know if you have any additional questions.

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 4:28 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300

San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County information across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond rating on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this rating, we require timely financial information from all of the pool participants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information by **Thursday, June 30**, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Ribble, Karen (Analytical)" <karen.ribble@fitchratings.com>
Date: 7/14/2022 4:35:02 PM
Subject: RE: Fitch annual review
Attachments: 2021 County of Mendocino ACFR.pdf

Hi Karen,

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, July 6, 2022 7:13 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Re: Fitch annual review

Thank you Chamise. I will keep my eye out for the audit later this week.
Best,
Karen

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 6, 2022 6:16:27 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: FW: Fitch annual review

Hi Karen,

The County is awai ng final sign o from the County's audit firm and hopes to have the 2020-21 ACFR released by the end of this week.

We will forward as soon as we receive the final approval.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Lloyd Weer <weerl@mendocinocounty.org>
Sent: Thursday, June 30, 2022 11:17 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

Dear Mr. Weer,

I am working on Fitch's annual surveillance review of the county's credit ra ng. Fitch currently has an 'A+' issuer default ra ng and a 'A' ra ng on the county's 2002 pension obliga on bonds.

I was unable to locate the county's fiscal 2021 ACFR on the county website or on EMMA. If available, please forward that to me. If it is not complete, please provide information on why is has not yet completed this report.

If you have any questions, please call me at 415-732-5611 or via email.

Best,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

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COUNTY OF

MENDOCINO

STATE OF CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the
Fiscal Year Ended
June 30, 2021

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

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

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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

MENDOCINO
1850
COUNTY

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MENDOCINO
1850
COUNTY



INTRODUCTORY SECTION

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

MENDOCINO COUNTY

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

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

CHAMISE CUBBISON

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

July 14, 2022

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

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

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

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

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

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

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

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

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

OVERVIEW OF MENDOCINO COUNTY

County History and Geography

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

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



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



Majestic Redwoods

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

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



Timber production



Wine production



Bartlett pears



Cannabis

County Structure

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

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

County Services

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

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

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



Mendocino County Administration Center, Ukiah, CA



Mendocino County Sheriff's Office, Ukiah, CA

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

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



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

County Cultural Services & Recreation

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

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

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

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



Mendocino County Museum, Willits, CA

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

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

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


Bower Park


Faulkner Park

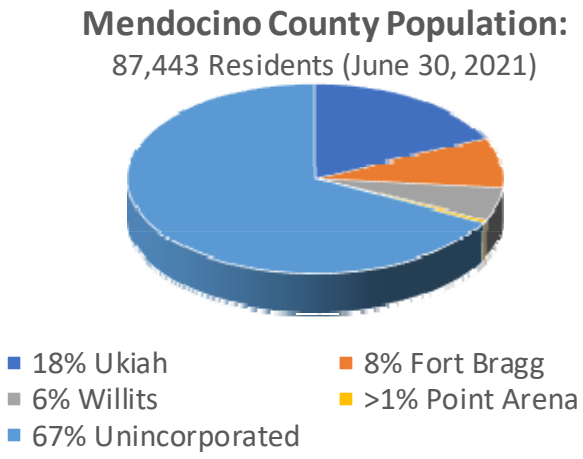

Mill Creek Park


RV Lions Club Park

County Population

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


Ukiah, CA



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

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



Fort Bragg, CA



Willits, CA



Point Arena, CA

LOCAL ECONOMY

Agribusiness

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

Timber

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



Agricultural Production

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

Sources:

1. Mendocino County Crop Report 2020

2. State of California Employment Development Department (QCEW industry estimates)

Cannabis

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

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

Total licenses (provisional & approved): 1,310
Total cultivated area (indoor/mixed light/outdoor): 11.2 million square feet (291 acres)
Total production: 192,541 pounds, with a gross value of $131 million.





Labor Force and Unemployment

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



Real Estate/Housing

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

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

BUDGETARY PROCESS

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

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

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

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

Factors Affecting Financial Condition

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

COMPONENT UNITS

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

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

LONG-TERM FINANCIAL PLANNING

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

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

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

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

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

Appropriations

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

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

Capital Improvements

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

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

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

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

RELEVANT FINANCIAL POLICIES

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

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

Source:
1. Mendocino County Adopted Budget, FY 2021-22

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

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

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

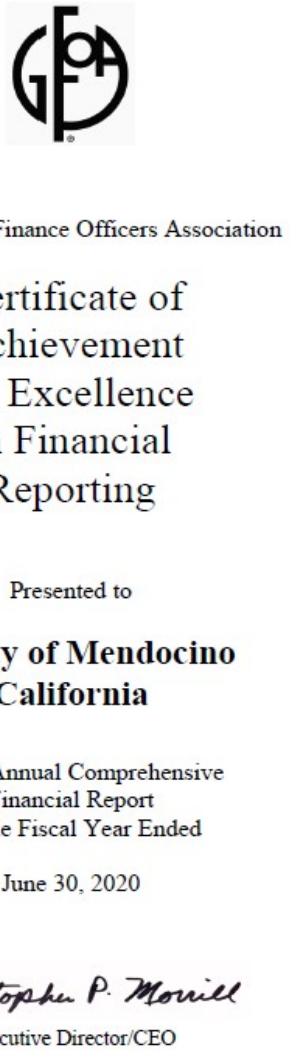
Cost Recovery through Fees: Whenever possible, utilize fees to recover costs where reasonable and after all cost savings options have been explored.

CERTIFICATE OF ACHIEVEMENT

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

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

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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Mendocino California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

ACKNOWLEDGEMENTS

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

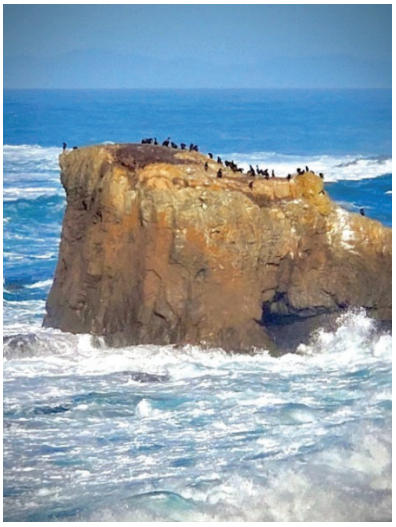
Respectfully Submitted:

Chamise Cubbison

Auditor-Controller/Treasurer-Tax Collector







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

MENDOCINO
1850
COUNTY

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





Glenn McGourty
District 1



Mo Mulheren
District 2



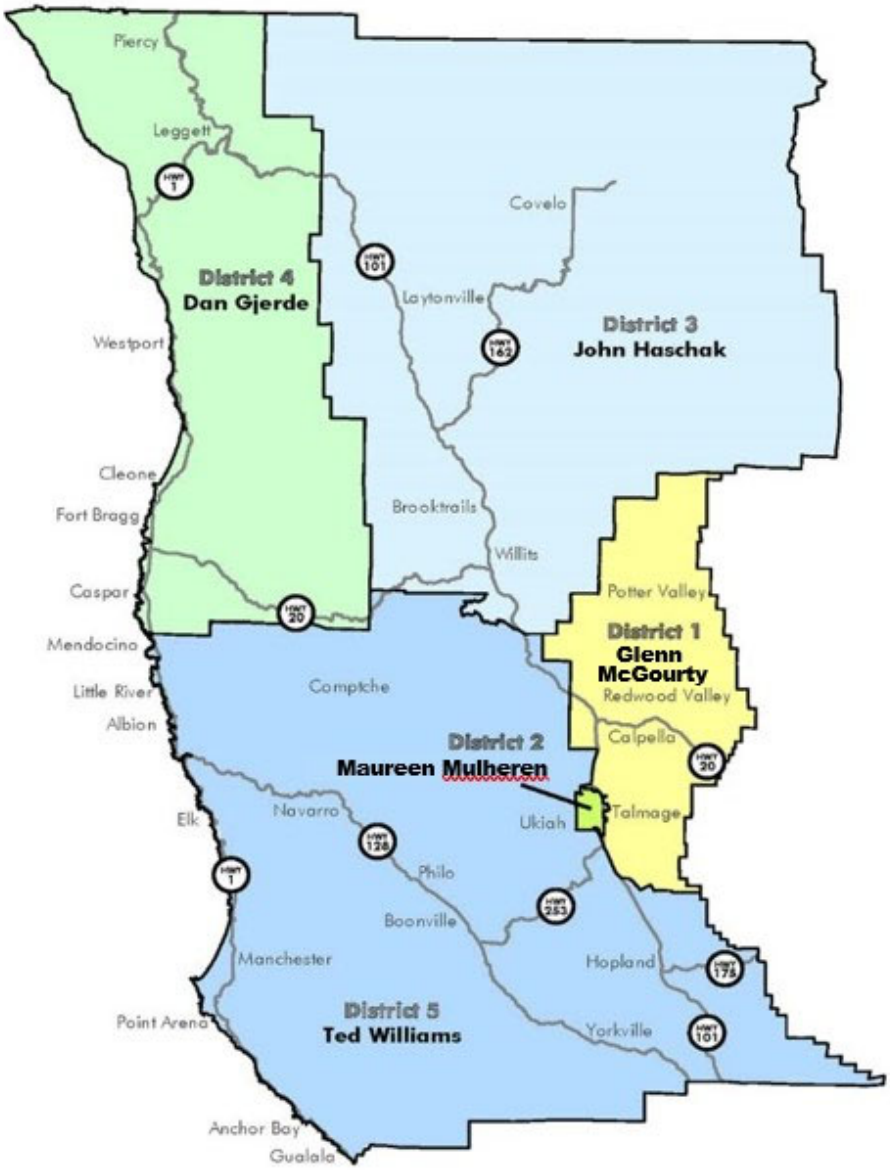
John Haschak
District 3



Dan Gjerde
District 4



Ted Williams
District 5



COUNTY OF MENDOCINO
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2021

Elected Officials:

Legislative Branch/Board of Supervisors:

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

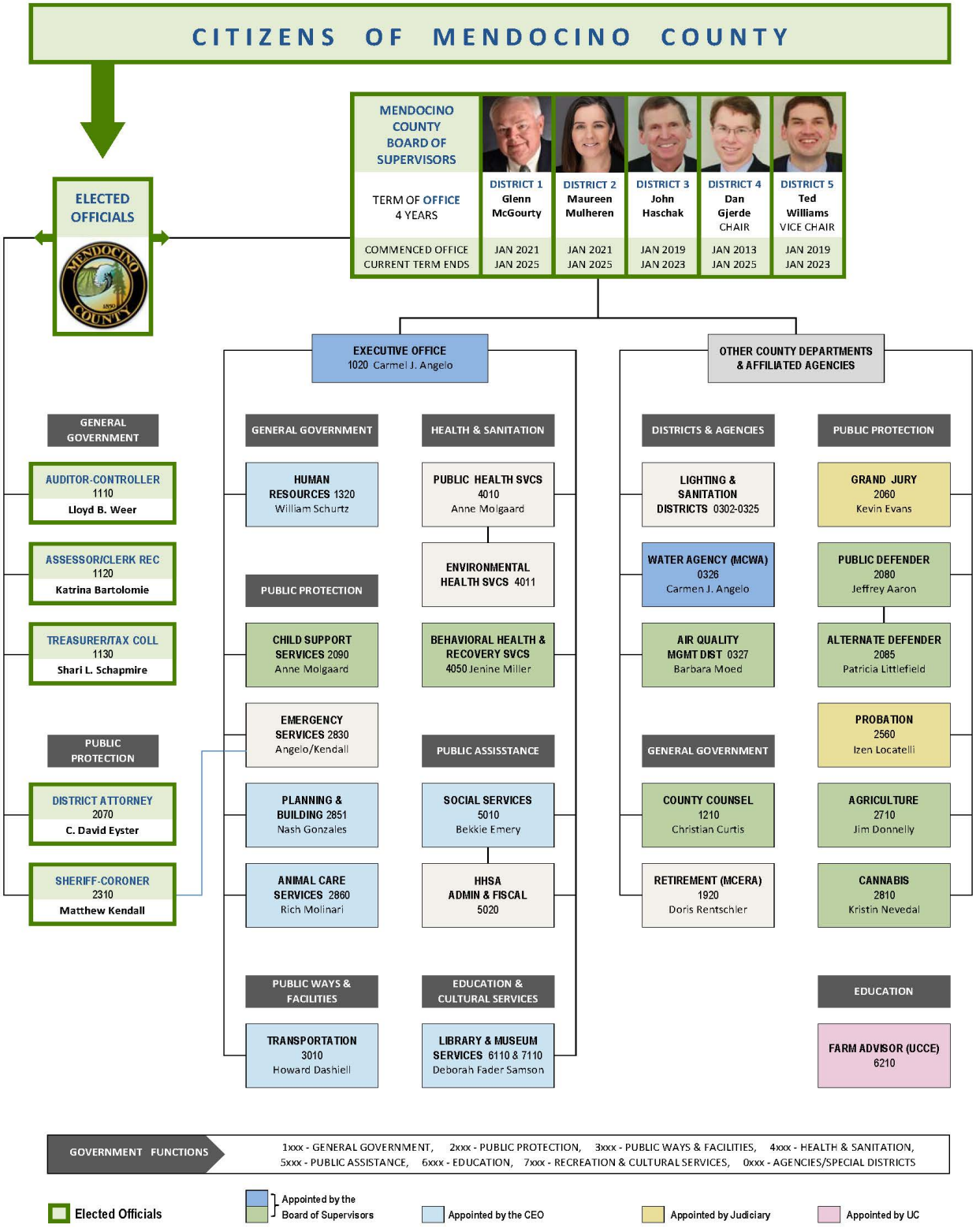
Executive Branch:

Assessor-County Clerk-Recorder ..... Katrina Bartolomie
Auditor-Controller ..... Lloyd B. Weer
District Attorney ..... C. David Eyster
Sheriff-Coroner ..... Matthew Kendall
Treasurer-Tax Collector ..... Shari L. Schapmire

Appointed Department Heads:

Agricultural Commissioner/Sealer ..... Jim Donnelly
Alternate Defender ..... Patricia Littlefield
Animal Care Services Director ..... Rich Molinari
Chief Executive Officer ..... Carmel J. Angelo
Chief Probation Officer ..... Izen Locatelli
Child Support Services Director ..... Anne Molgaard
County Counsel ..... Christian Curtis
Cultural Services Director ..... Deborah Fader Samson
Health and Human Services Agency Director ..... Bekkie Emery
Human Resources Director ..... William Schurtz
Planning and Building Director ..... Nash Gonzalez
Public Defender ..... Jeffrey Aaron
Retirement Association Executive Director ..... Doris Rentschler
Transportation Director ..... Howard Dashiell

COUNTY OF MENDOCINO
ORGANIZATION CHART
JUNE 30, 2021



MENDOCINO
1850
COUNTY



FINANCIAL SECTION

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

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Prior period adjustments

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

Other Matters

Required Supplementary Information

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

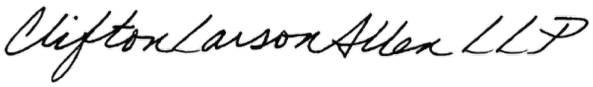
Other Information

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

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

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

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



CliftonLarsonAllen LLP

Roseville, California
July 14, 2022

MENDOCINO
1850
COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MENDOCINO
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COUNTY

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

Financial Highlights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

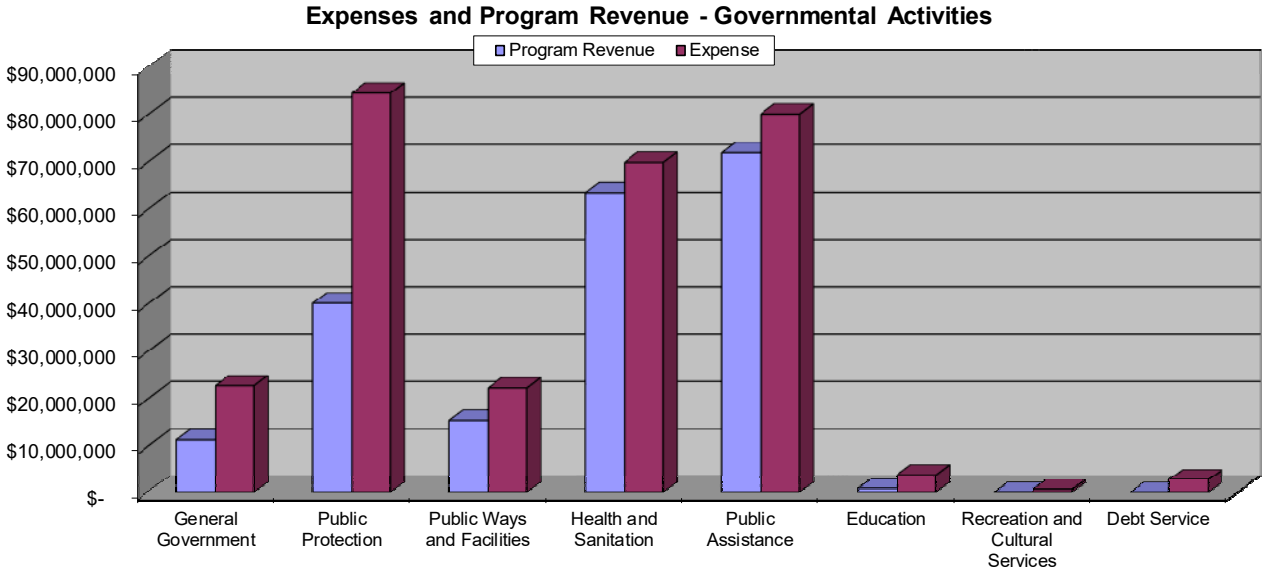
	2021	2020
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	$ 22,902,671	$ 21,148,724
Operating Grants and Contributions	177,463,841	145,480,971
Capital Grants and Contributions	3,404,935	3,191,180
General Revenues		
Property Taxes	55,714,699	51,499,607
Sales and Use Taxes	31,030,406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

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

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

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

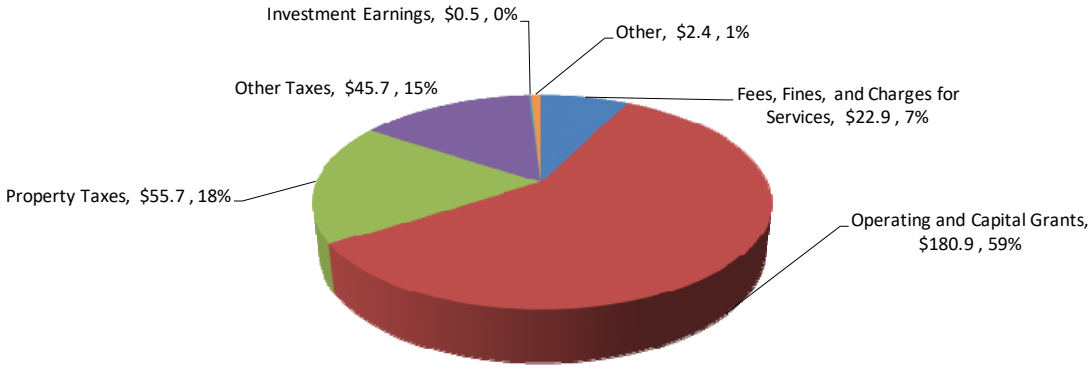
As shown in the following chart, program revenues are less than the expenses in all functional areas.



Expenses and Program Revenue

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

Revenues by Source (in millions) - Governmental Activities



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

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

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

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

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

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

Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Asset and Debt Administration.

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

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

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

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of $54,365,000.

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

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

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

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

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

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

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

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

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

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

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BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
JUNE 30, 2021

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

Fund Balance - Total Governmental Funds	$ 137,252,928
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	21,620,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	143,137,748
Deferred outflows of resources reported in the Statement of Net Position.	54,038,138
Internal service funds are used by the County to charge the cost of insurance, software acquisition and vehicle replacement services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:	5,203,295
Deferred inflows of resources reported in the statement of net position.	(41,617)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position.	
Bonds Payable	(39,655,000)
Certificates of Participation	(14,710,000)
Accrued Interest on Long-Term Debt	(1,099,205)
Compensated Absences	(5,689,688)
Pension Liability	(247,246,342)
Landfill Closure/Post Closure Care Costs	(9,206,155)
Net Position of Governmental Activities	$ 43,604,461

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, 2021

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

Net Change to Fund Balance - Total Governmental Funds		$ 5,714,486
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	$ 25,566,378	
Less: Current Year Depreciation	(7,043,514)	
		18,522,864
Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.		7,247,585
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal and Refunded Debt Repayments:		
Bonds Payable	5,440,000	
Certificates of Participation	1,230,000	
		6,670,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Long-Term Debt	158,128	
Change in Compensated Absences	(908,753)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(14,977,727)	
Change in Liability for Closure/Post Closure Care	432,200	
		(15,296,152)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.		(2,323,340)
Change in Net Position of Governmental Activities		$ 20,535,443

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	328,054
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	356,261
Increase (Decrease) in:	
Accounts Payable	(400,084)
Accrued Salaries	3,500
Compensated Absences	(1,604)
Claims Liability	(213,817)
Net Cash Provided (Used) by Operating Activities	$ (4,214,604)

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

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

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

See accompanying Notes to Basic Financial Statements.

MENDOCINO
1850
COUNTY

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.

MENDOCINO
1850
COUNTY

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

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

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

Blended Component Units

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

Discretely Presented Component Units

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

Fiduciary Component Units

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following major governmental funds:

- The *General* Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreational services.

- The *Debt Service Fund* is used to accumulate funds for the payment of debt service on the Certificates of Participation.

- The *Pension Obligation Bonds Fund* is used to accumulate funds for the payment of debt service on the Pension Obligation Bonds. Deposits are made on each pay period from amounts charged to the individual departments, based on retirement participation.

- The *Mental Health Services Fund* is a special revenue fund whose revenues are legally restricted for specified mental health purposes. The financial activities of the Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003. Revenues consist primarily of intergovernmental revenues and charges for services.

- The *Road Fund* is a special revenue fund that provides for planning, design, construction, maintenance, and administration of County maintained roads. Revenues consist primarily of highway user taxes and other intergovernmental revenues.

- The *Mental Health Treatment Fund* is a sales tax special revenue fund entirely dedicated to improve services, treatment and facilities for persons with mental health conditions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the County's vehicle replacement and software acquisition services provided to other departments or to other governments and self-insurance programs – unemployment, general liability, workers' compensation, and health insurance benefits, on a cost-reimbursement basis.

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Custodial Funds* account for assets held by the County as an agent for various local governments. The agency funds maintained by the County include two separate components.

    - County Departmental – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

    - Unapportioned Taxes – Accounts for property tax receipts awaiting apportionment to other local agencies.

- The *Pension Trust Fund* accounts for the pooled cash held in the County Treasury for the Mendocino County Employees' Retirement Association.

C. Measurement Focus and Basis of Accounting

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

D. Cash and Investments

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

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

E. Cash and Cash Equivalents

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

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

G. Inventories

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

H. Restricted Assets

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

I. Net Position/Fund Balance

Net Position

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

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position/Fund Balance (Continued)

Fund Balances

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

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors with a 4/5 vote. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

- *Assigned Fund Balance* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

- *Unassigned Fund Balance* – is the residual classification and includes all amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance, other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes. Positive unassigned amounts are technically available for any purposes.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Tax Revenue

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

Alternative Method of Distribution of Tax Levies

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

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

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

K. Capital Assets

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

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

The estimated useful lives are as follows:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

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

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

M. Pensions

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions (Continued)

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

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

N. Interfund Transactions

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Estimates

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

P. Current Governmental Accounting Standards Board (GASB) Pronouncements

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

NOTE 2 CASH AND INVESTMENTS

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

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

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

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

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

Deposits – Custodial Risk

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

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

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%

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurements

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

Level 1 - Investments reflect prices quoted in active markets;

Level 2 - Inputs to the valuation methodology include:

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

Level 3 - Investments reflect prices based upon unobservable sources.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

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

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

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (Continued)

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

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

County Investment Pool Condensed Financial Statements

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

Statement of Net Position

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

Statement of Changes in Net Position

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

NOTE 3 ENDOWMENTS

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

NOTE 4 INTERFUND TRANSACTIONS

Transfers

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

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

NOTE 5 CAPITAL ASSETS

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

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

Depreciation expense was charged to governmental functions as follows:

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

NOTE 6 LONG-TERM LIABILITIES

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

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2021
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	$39,655,000
Refunding Certificates of Participation:					
2012 Series (Issued to Refund 2002 and 2000 Series COPs that funded the construction of capital assets)	7/15/2012 - 7/15/2030	1.00% - 4.30%	$975,000 - $1,830,000	$ 25,810,000	$ 14,710,000

A. Summary of Long-Term Liabilities

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

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

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

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

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

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Leases

Operating Leases

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

C. Compensated Absences

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

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

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

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

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2021, investments of $4,434,249 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

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

NOTE 8 NET POSITION/FUND BALANCES

Net Position

Net investment in capital assets was comprised of the following:

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

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Fund Balances

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

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

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Prior Period Adjustment

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

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

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

	Fiduciary Fund Statements	
	Investment Trust Funds	Custodial Funds
Net position as of June 30, 2020, as previously reported	$ 196,546,975	$ -
Cumulative Effect of Change in Accounting Principle		
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	9,568,812	14,860,848
Total prior period adjustments	9,568,812	14,860,848
Net position as of July 1, 2020	$ 206,115,787	$ 14,860,848

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.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans

Plan Descriptions

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

Benefits Provided

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

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

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

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

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Benefits Provided (Continued)

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

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

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

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

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

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

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

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

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Contributions

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

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

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

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

Contributions - Employer	$ 25,478,430

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

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

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	$ 247,246,342

NOTE 9 PENSION PLANS (CONTINUED)

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

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

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

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

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

The County reported $25,478,430 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Amount
2022	$ 6,795,893
2023	10,090,489
2024	7,361,505
2025	4,270,204
Total	28,518,091

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase	4.00% – 8.50%, based on years of service (1)
Investment Rate of Return	7.00%
Mortality	Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set back one year for males and set forward one year for females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016

(1) Includes inflation at 3.00% plus across the board salary increases of 0.50% plus merit and promotion increases.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a April 14, 2017 actuarial experience study for the period July 1, 2013 – June 30, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	24.7 %	5.49 %
U.S. Small Cap Equity	12.3	6.10
Global Equity	25.0	6.84
Domestic Fixed Income	21.0	1.09
Real Estate	11.0	4.59
Infrastructure	6.0	5.30
Total	100.0 %	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the County's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

One Percent Decrease	5.75%
Net Pension Liability	$ 348,328,842
Current Discount Rate	6.75%
Net Pension Liability	$ 247,246,342
One Percent Increase	7.70%
Net Pension Liability	$ 164,104,400

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued MCERA financial report.

NOTE 10 CONTINGENCIES

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. County Counsel had indicated that probable potential claims against the County are $50,000 to $100,000, while possible potential claims against the County range in the area of $1,000,000. The general liability self-insurance program would cover probable claims losses for which adequate reserves have been maintained.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 11 RISK MANAGEMENT

The County has four risk management funds (Internal Service Funds) to administer the County's insurance programs that are fully self-insured, partially self-insured, or fully funded. Fund revenues are primarily premium charges to other departments and funds, and are planned to equal estimated expenses resulting from the self-insurance programs including claims expenses, liability insurance coverage in excess of the self-insured retention amounts, and other operating expenses. Liability for unpaid claims is subject to change due to future re-estimations of claims by program administrators, inflation, and changes in laws and regulations. The primary activities of the funds consist of risk management programs related to the following:

A. Unemployment Insurance

The County is fully self-insured for this program. The estimated claims liability at fiscal year-end was $789,722.

B. General Liability Insurance

The County maintains a self-insured retention (SIR) of $200,000 per occurrence for this program. Losses which exceed the SIR are covered by excess insurance obtained through CSAC-Excess Insurance Authority.

This program is the only insurance program administered without the benefit of a third party administrator.

NOTE 11 RISK MANAGEMENT (CONTINUED)

B. General Liability Insurance (Continued)

The administration of this program is a joint effort between the Risk Management Division and the Office of the County Counsel. The liability for unpaid claims was based on actual outstanding claims at June 30, 2021, plus an amount for "incurred but not reported claims." The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The liability of $1,073,771 includes incurred but not reported claims.

C. Workers' Compensation

The County elected to become fully insured through CSAC-Excess Insurance Authority on July 1, 1997.

D. Health Insurance

The County is fully self-insured and administers the program. The County has hired Keenan Associates as a health plan consultant/actuary to review the health plan on an annual basis, and determine by how much County and employee share in premiums should be increased. The estimated claims liability at fiscal year-end was $2,571,698.

Changes in the fund's claims liability amount for the past two years were:

	Unemployment Insurance	General Liability	Health Insurance	Total
Claims Liability, July 1, 2019	$ 455,859	$ 855,523	$ 2,339,782	$ 3,651,164
Current Year Claims and Changes in Estimates	495,808	171,587	16,903,621	17,571,016
Claims Payments	(155,884)	(154,765)	(16,262,523)	(16,573,172)
Claims Liability, June 30, 2020	$ 795,783	$ 872,345	$ 2,980,880	$ 4,649,008
Claims Liability, July 1, 2020	$ 795,783	$ 872,345	$ 2,980,880	$ 4,649,008
Current Year Claims and Changes in Estimates	400,712	814,227	14,791,594	16,006,533
Claims Payments	(406,773)	(612,801)	(15,200,776)	(16,220,350)
Claims Liability, June 30, 2021	$ 789,722	$ 1,073,771	$ 2,571,698	$ 4,435,191

NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following funds reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2021:

Fund	Amount in Excess
Special Districts Lighting	$ 4,665
Special District Other	22,766
Inter-Governmental Transfers	200,842
Whole Person Care	569,541

NOTE 13 DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2021:

Fund	Deficit
Other Governmental Funds:	
Disaster Recovery	$ (11,386,009)
Internal Service Funds:	
Unemployment Insurance	(96,832)
Health Insurance	(3,674,315)

These deficits are expected to be eliminated through receipts of grants, charges for services or transfers from the General Fund over time.

REQUIRED SUPPLEMENTARY INFORMATION

MENDOCINO
1850
COUNTY

COUNTY OF MENDOCINO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)						
	June 30, 2021 *(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	96.26%	96.25%	96.23%	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	$ 247,246,342	$ 206,708,080	$ 190,043,076	$ 186,099,824	$ 193,097,508	$ 154,924,361	$ 130,705,221
County's Covered Payroll	$ 68,592,195	$ 65,111,855	$ 61,443,717	$ 56,534,158	$ 54,492,771	$ 51,937,992	$ 50,778,344
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	360.46%	317.47%	309.30%	329.18%	354.35%	298.29%	257.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.70%	71.30%	72.49%	71.23%	67.45%	72.78%	75.68%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Schedule of the County's Contributions

Last 10 Fiscal Years*

	Reporting Fiscal Year						
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	$ 25,478,430	$ 23,515,845	$ 22,826,962	$ 19,650,882	$ 18,209,544	$ 17,950,331	$ 14,139,041
Contributions Related to the Actuarially Determined Contribution	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	$ 69,964,039	$ 68,592,195	$ 65,111,855	$ 61,443,717	$ 56,534,158	$ 54,492,771	$ 51,937,992
Contributions as a Percentage of Covered Payroll	36.42%	34.28%	35.06%	31.98%	32.21%	32.94%	27.22%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 81,802,155	$ 83,802,155	$ 92,165,453	$ 8,363,298
Licenses and Permits	5,292,458	5,292,458	4,961,346	(331,112)
Fines, Forfeits, and Penalties	1,314,614	1,334,614	916,522	(418,092)
Revenue From Use of Money and Property	1,100,020	1,128,757	761,016	(367,741)
Intergovernmental	114,087,194	125,433,935	100,836,364	(24,597,571)
Charges for Services	12,921,494	13,080,561	12,346,360	(734,201)
Other Revenue	1,408,739	1,408,739	1,742,247	333,508
Total Revenues	217,926,674	231,481,218	213,729,308	(17,751,910)
EXPENDITURES				
Current:				
General government:				
Assessor	1,842,544	1,842,544	1,600,746	241,798
Auditor-Controller	1,449,984	1,469,984	1,547,288	(77,304)
Board Of Supervisors	819,335	848,585	835,069	13,516
Buildings & Grounds	4,130,954	4,190,123	4,474,708	(284,585)
Clerk Of The Board	553,656	553,656	532,775	20,881
County Clerk	277,830	277,830	280,041	(2,211)
County Clerk-Election	512,495	741,532	642,260	99,272
County Counsel	1,296,935	1,346,935	1,472,226	(125,291)
County Executive Office	1,234,650	1,384,650	1,224,133	160,517
County Garage	28,000	13,000	22,017	(9,017)
Economic Development	567,371	567,371	825,041	(257,670)
Employee Wellness/Assistance	48,776	48,776	40,914	7,862
Engineering & Technical Assist	1,101,268	1,254,387	1,091,346	163,041
General Services	459,642	469,637	477,459	(7,822)
Human Resources	950,508	1,023,772	989,702	34,070
Information Services	3,751,662	3,781,426	3,320,880	460,546
Miscellaneous Budget	2,415,298	5,876,730	1,966,997	3,909,733
Nondepartmental Revenue	(3,275,153)	(3,275,153)	(3,203,410)	(71,743)
Property Characteristics	91,687	91,687	-	91,687
Retirement	698,471	698,471	726,439	(27,968)
Treasurer-Tax Collector	852,289	880,065	870,877	9,188
Total general government	19,808,202	24,086,008	19,737,508	4,348,500
Public protection:				
Agriculture Dept	1,458,261	1,493,261	1,321,004	172,257
Alternate Defender	786,112	786,112	914,807	(128,695)
Animal Control	1,550,621	1,550,621	1,342,117	208,504
Cannabis Management	822,172	937,172	639,379	297,793
Child Support Services	2,745,024	2,653,941	2,166,787	487,154
Courts-Ab233 Program	1,303,668	1,303,668	1,176,951	126,717
District Attorney	5,690,369	5,722,259	6,802,353	(1,080,094)
Emergcy Svc Cd Safety	403,399	510,914	374,374	136,540
Fire	600,000	600,000	740,929	(140,929)
Grand Jury	89,600	89,600	38,522	51,078
Indigent Defense	350,000	350,000	352,885	(2,885)
Juvenile Hall	2,467,075	2,467,075	2,256,516	210,559
Mendocino County Jail	14,863,030	15,156,040	15,258,741	(102,701)
Mendocino County Sheriff	21,147,209	21,394,476	23,130,387	(1,735,911)
Mobile Spay/Neuter	139,552	139,552	70,702	68,850
Planning & Building Services	6,348,632	6,348,632	5,086,660	1,261,972
Planning & Building Spec Proj	505,000	590,000	35,663	554,337
Probation Officer	5,925,063	6,016,702	5,791,436	225,266
Public Defender	2,513,207	2,513,207	3,447,975	(934,768)
Total public protection	69,707,994	70,623,232	70,948,188	(324,956)

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public ways and facilities:				
DOT - Mendocino Cty Airport	$ 12,115,115	$ 12,115,115	$ 175,199	$ 11,939,916
DOT - Round Valley Airport	637,561	790,395	605,635	184,760
Total public ways and facilities	12,752,676	12,905,510	780,834	12,124,676
Health and sanitation:				
Alcohol/Other Drug Program	2,657,775	3,604,594	2,660,527	944,067
Emergency Medical Services	1,479,641	1,479,641	152,174	1,327,467
Employee Wellness/Assistance	353,757	353,757	286,948	66,809
Environmental Health	3,023,605	3,023,605	2,242,207	781,398
Hospital /Medical Services	276,000	276,000	159,708	116,292
Landfill Closure	1,824,774	1,824,774	508,738	1,316,036
Mendocino County Solid Waste	247,313	247,313	326,604	(79,291)
Public Health	3,219,532	6,786,475	5,911,119	875,356
Public Health Nursing	2,867,285	2,867,285	1,836,397	1,030,888
Public Health-Ccs	1,079,159	1,079,159	682,690	396,469
Transitional Housing	-	600,000	315,584	284,416
Total health and sanitation	17,028,841	22,142,603	15,082,696	7,059,907
Public assistance:				
Calworks/Foster Care	25,836,780	25,836,780	22,171,814	3,664,966
General Relief	585,812	585,812	523,460	62,352
Health & Human Services Admin	311,959	311,959	244,556	67,403
In Home Support Services	5,584,250	5,584,250	5,878,759	(294,509)
Social Services	53,709,265	53,777,105	48,004,038	5,773,067
Total public assistance	86,028,066	86,095,906	76,822,627	9,273,279
Education:				
Farm Advisor	242,257	242,257	191,424	50,833
Total education	242,257	242,257	191,424	50,833
Recreation and culture:				
Mendocino Cnty Museum	609,460	688,197	561,138	127,059
Total recreation and culture	609,460	688,197	561,138	127,059
Debt Service:				
Principal	4,400,000	4,400,000	4,761,819	(361,819)
Interest and Fiscal Charges	500,000	500,000	36,753	463,247
Total debt service	4,900,000	4,900,000	4,798,572	101,428
Capital Outlay:				
Capital Improvements	5,501,516	10,833,627	3,223,702	7,609,925
Total capital outlay	5,501,516	10,833,627	3,223,702	7,609,925
Total expenditures	216,579,012	232,517,340	192,146,689	40,370,651
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,347,662	(1,036,122)	21,582,619	22,618,741
OTHER FINANCING SOURCES (USES)				
Transfers In	4,868,484	12,525,901	6,974,531	(5,551,370)
Transfers Out	(11,472,855)	(26,604,438)	(20,609,352)	5,995,086
Total Other Financing Sources (Uses)	(6,604,371)	(14,078,537)	(13,634,821)	443,716
NET CHANGE IN FUND BALANCES	(5,256,709)	(15,114,659)	7,947,798	23,062,457
Budgetary Fund Balances - Beginning of Year	73,039,076	73,039,076	73,039,076	-
BUDGETARY FUND BALANCES - END OF YEAR	$ 67,782,367	$ 57,924,417	$ 80,986,874	$ 23,062,457

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021

Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balance

Total Revenues from the Budgetary Comparison Schedule	$ 213,729,308
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports a portion of the disbursement as a reduction of the taxes revenue.	(4,761,819)
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 208,967,489
Total expenditures from the budgetary comparison schedule	$ 192,146,689
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,924,491)
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports the disbursement as a reduction of taxes revenue.	(4,761,819)
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 180,460,379

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ (27,416)	$ (27,416)	$ 4,696	$ 32,112
Intergovernmental	27,200,721	27,300,721	25,752,998	(1,547,723)
Charges for Services	930,370	930,370	1,918,576	988,206
Other Revenues	150,150	150,150	112,286	(37,864)
Total Revenues	28,253,825	28,353,825	27,788,556	(565,269)
EXPENDITURES				
Current:				
Health and Sanitation	29,159,932	29,303,285	25,005,874	4,297,411
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(906,107)	(949,461)	2,782,682	3,732,143
OTHER FINANCING SOURCES (USES)				
Transfers In	755,386	909,416	300,000	(609,416)
Transfers Out	(592,425)	(592,425)	(233,779)	358,646
Total Other Financing Sources (Uses)	162,961	316,991	66,221	(250,770)
NET CHANGE IN FUND BALANCES	(743,146)	(632,470)	2,848,903	3,481,373
Fund Balances - Beginning of Year	2,300,262	2,300,262	2,300,262	-
FUND BALANCES - END OF YEAR	$ 1,557,116	$ 1,667,792	$ 5,149,165	$ 3,481,373

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – ROAD FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 54,000	$ 66,000	$ 52,319	$ (13,681)
Licenses, Permits, and Franchises	56,000	56,000	157,801	101,801
Revenue From Use of Money and Property	70,000	70,000	(78,136)	(148,136)
Fines, Forfeitures, and Penalties	40,000	40,000	32,615	(7,385)
Intergovernmental	24,352,817	24,491,817	16,036,616	(8,455,201)
Charges for Services	78,726	78,726	291,268	212,542
Other Revenues	18,000	18,000	13,318	(4,682)
Total Revenues	24,669,543	24,820,543	16,505,801	(8,314,742)
EXPENDITURES				
Current:				
Public Ways and Facilities	31,807,859	32,348,794	21,024,918	11,323,876
Total Expenditures	31,807,859	32,348,794	21,024,918	11,323,876
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,138,316)	(7,528,251)	(4,519,117)	3,009,134
OTHER FINANCING SOURCES (USES)				
Transfers In	3,766,860	3,981,757	3,981,757	1
Transfers Out	-	(55,150)	(437,604)	(382,454)
Total Other Financing Sources (Uses)	3,766,860	3,926,607	3,544,153	(382,454)
NET CHANGE IN FUND BALANCES	(3,371,456)	(3,601,645)	(974,964)	2,626,681
Fund Balances - Beginning of Year	4,984,393	4,984,393	4,984,393	-
FUND BALANCES - END OF YEAR	$ 1,612,937	$ 1,382,748	$ 4,009,429	$ 2,626,681

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH TREATMENT FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 8,500,000	$ 8,500,000	$ 10,848,181	$ 2,348,181
Revenue From Use of Money and Property	200,000	200,000	72,107	(127,893)
Total Revenues	8,700,000	8,700,000	10,920,288	2,220,288
EXPENDITURES				
Current:				
Health and Sanitation	286,575	294,985	159,834	135,151
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,413,425	8,405,015	10,760,454	2,220,288
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,706,600)	(2,706,600)	(2,328,153)	378,447
NET CHANGE IN FUND BALANCES	5,706,825	5,698,415	8,432,301	2,598,735
Fund Balances - Beginning of Year	18,518,784	18,518,784	18,518,784	-
FUND BALANCES - END OF YEAR	$ 24,225,609	$ 24,217,199	$ 26,951,085	$ 2,598,735

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DISASTER RECOVERY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 9,544,371	$ 17,015,856	$ 13,901,273	$ (3,114,583)
Other Revenues	-	-	5,600	5,600
Total Revenues	9,544,371	17,015,856	13,906,873	(3,108,983)
EXPENDITURES				
Current:				
Public Protection	10,962,734	11,737,734	5,707,961	6,029,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,418,363)	5,278,122	8,198,912	2,920,790
OTHER FINANCING SOURCES (USES)				
Transfers In	1,778,285	2,426,745	2,426,745	-
Transfers Out	-	(7,480,485)	(20,475,700)	(12,995,215)
Total Other Financing Sources (Uses)	1,778,285	(5,053,740)	(18,048,955)	(12,995,215)
NET CHANGE IN FUND BALANCES	359,922	224,382	(9,850,043)	(10,074,425)
Fund Balances - Beginning of Year	(1,535,966)	(1,535,966)	(1,535,966)	-
FUND BALANCES - END OF YEAR	$ (1,176,044)	$ (1,311,584)	$ (11,386,009)	$ (10,074,425)

See accompanying Notes to Required Supplementary Information.

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all governmental funds. The legal level of control for appropriations is at the budget unit level. Appropriations at this level may only be changed with the approval of the Board. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and is amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end.

Budgets are adopted for the General Fund, Debt Service Funds, and most Special Revenue Funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. Budgets were not legally adopted for the following Special Revenue Funds: the Special Aviation Fund, the Supplemental Law Enforcement Fund, the Sheriff Special Projects Fund, and the Endowment Fund.

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SUPPLEMENTARY INFORMATION

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OTHER BUDGETARY SCHEDULES

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COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 30,000	$ 30,000	$ 35,703	$ 5,703
Revenue From Use of Money and Property	(8,000)	(8,000)	(4,710)	3,290
Fines, Forfeitures, and Penalties	12,000	12,000	7,800	(4,200)
Total Revenues	34,000	34,000	38,793	4,793
EXPENDITURES				
Current:				
General Government	3,600	3,600	3,425	175
Debt Service:				
Principal	1,230,000	1,230,000	1,230,000	-
Interest	635,500	635,500	635,498	2
Total Expenditures	1,869,100	1,869,100	1,868,923	177
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,835,100)	(1,835,100)	(1,830,130)	4,970
OTHER FINANCING SOURCES (USES)				
Transfers In	1,835,100	1,835,100	1,835,100	-
NET CHANGE IN FUND BALANCES	-	-	4,970	4,970
Fund Balances - Beginning of Year	1,999,064	1,999,064	1,999,064	-
FUND BALANCES - END OF YEAR	$ 1,999,064	$ 1,999,064	$ 2,004,034	$ 4,970

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ (58,000)	$ (58,000)	$ (32,537)	$ 25,463
Other Revenues	-	-	467,342	467,342
Total Revenues	(58,000)	(58,000)	434,805	492,805
EXPENDITURES				
Current:				
General Government	4,000	4,000	3,649	351
Debt Service:				
Principal	5,440,000	5,440,000	5,440,000	-
Interest	2,408,750	2,408,750	2,408,750	-
Total Expenditures	7,852,750	7,852,750	7,852,399	351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,910,750)	(7,910,750)	(7,417,594)	493,156
OTHER FINANCING SOURCES (USES)				
Transfers In	7,910,750	7,910,750	7,841,170	(69,580)
NET CHANGE IN FUND BALANCES	-	-	423,576	423,576
Fund Balances - Beginning of Year	7,644,074	7,644,074	7,644,074	-
FUND BALANCES - END OF YEAR	$ 7,644,074	$ 7,644,074	$ 8,067,650	$ 423,576

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

MENDOCINO
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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. The County has the following types of non-major special revenue funds:

- **LIBRARY**
  This fund provides library services for all residents and visitors to this beautiful County. The Mendocino County Library System consists of five branches located in Ukiah, Fort Bragg, Willits, Covelo, and Point Arena along with the Bookmobile that provides services to outlying areas. Libraries are community centers and the branches greatly reflect the dynamic and unique communities that support and utilize its many services.

- **FISH AND GAME**
  The County of Mendocino has a Fish and Wildlife Propagation Fund, which represents a portion of fines imposed by the Superior Court of Mendocino County for Fish and Game violations. Funds support the Fish and Game Commission in monitoring the status of fish, game, and wildlife in the County, identifying threats, and advising the Board on relevant issues and activities. Funds also support public education and research, community-based activities to improve fish and wildlife habitat, and County representation within and outside the county.

- **SPECIAL AVIATION**
  This Special Revenue fund accounts for State and Federal Grants and Aid for Little River and Round Valley airports, which provide facilities for general aviation and serves the air transport needs for northern Mendocino County (Round Valley), the Mendocino County coast (Little River), the California Aviation System and the National Integrated Airport System. Little River and Round Valley airports additionally function as incident command centers/disaster relief staging centers for emergencies, including medical evacuation and major fire, severe storm or earthquake events.

- **SUPPLEMENTAL LAW ENFORCEMENT**
  The Supplemental Law Enforcement Services Fund (SLESF) supports COPS (Citizen's Options for Public Safety) and is established in each County pursuant to California Government Code §30061-30065. This fund also provides for one of the two allocated positions within the Sheriff's Office to assist in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **COPS AB 1913**
  COPS (Citizen's Options for Public Safety) is funded by the Supplemental Law Enforcement Services Fund (SLESF). The fund is established in each County pursuant to California Government Code §30061-30065. The formula for allocating COPS funds is as follows:

  1. 5.15% to the County Sheriff for County Jail construction and operations;
  2. 5.15% to the District Attorney's Office for criminal prosecutions;
  3. 39.7% to the County and the cities within the County, for supplemental front-line law enforcement services; and
  4. 50% to the County for implementation of a comprehensive, multi-agency juvenile justice plan.

This budget unit provides funding for one of the two allocated positions within the Sheriff's Office, the Sheriff's Technology Specialist, who assists in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **SHERIFF SPECIAL PROJECTS**
  The Sheriff Office occasionally receives donations from individuals, service clubs and other agencies. The donations may be for unrestricted use or restricted for a specific purpose (memorials, K-9 Program). The Sheriff Special Projects fund is used to account for the receipt and disbursement of these funds.

- **RECORDER MODERNIZATION**
  Revenues to this fund are provided through fee collection at the time of recording. The overall mission of the Recorder's Modernization fund is to modernize creation, retention and retrieval of the Clerk-Recorder's records, including the restoration of early handwritten records and entering them into the County's computer system.

- **MICROGRAPHICS**
  This special revenue fund further supports the Micrographic Division of the Assessor-Clerk Recorder's Office with regard to micrographic reproductions of County records, and retention and retrieval of Clerk-Recorder's records.

- **MISCELLANEOUS GRANTS**
  Miscellaneous non-departmental grants applied for and received by the County of Mendocino that are used to address and/or support a specified (restricted) need or activity.

- **SPECIAL DISTRICTS LIGHTING**
  There are currently eleven special lighting districts. These districts are funded by secured and unsecured property tax revenues for the purpose of installing street lights in the related district.

- **SPECIAL DISTRICTS OTHER**
  There are currently three other special districts as follows:

  1. AIR QUALITY MANAGEMENT DISTRICT
     The Air Quality Management District (AQMD) has the primary responsibility for the monitoring and control of air pollution from all stationary sources within the boundaries of Mendocino County, including the four incorporated cities. The District is funded by permit fees, motor vehicle fees, state subvention funds, and state and federal grants. The funds support the District's mission to protect air quality, improve levels of service to the public, the regulated community and other agencies, while at the same time striving to reduce and control costs.

  2. MEADOWBROOK SANITATION DISTRICT
     The district is funded by secured and unsecured property tax revenues for the purpose of supporting the sanitation facility in that district.

  3. MENDOCINO COUNTY WATER AGENCY
     Mendocino County Water Agency (MCWA) is a Special District governed by the Board of Supervisors, sitting as the Board of Directors. MCWA revenue is generated from a tax that was established in 1971, which does not exceed $0.06 per $100 of assessed valuation. The Water Agency provides project management and compliance for and with the following:

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 (HHSA) maximizes realignment funds by participating in the Inter-Governmental Transfer (IGT) opportunity with Partnership HealthPlan of California (PHC) to access additional Medi-Cal funding to provide services to Medi-Cal eligible beneficiaries. This fund accounts for the realignment health services funds and other federal funds awarded to support the health and wellbeing of Medi-Cal beneficiaries throughout Mendocino County.

- **WHOLE PERSON CARE**
  The Whole Person Care fund accounts for Medi-Cal 2021 grants, awarded through California's Section 115(a) Medicaid Waiver, for the Health and Human Services Agency's Whole Person Care Pilot Program, which aims to improve the wellbeing of Mendocino County residents experiencing mental illness, social isolation and/or poor health through enhanced inter-agency collaboration, peer support, and care coordination.

CAPITAL PROJECTS

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types. The County has the following types of non-major capital projects funds:

1. CAPITAL IMPROVEMENTS (BU 1710)
   The Capital Improvement Fund provides monies for facility enhancements and large-scale maintenance projects, such as roof replacements, parking lot repairs, and heating and cooling upgrades and significant repairs or remodels. These funds also provide for compliance with the Americans with Disabilities Act (ADA) to plan and complete retrofits for the removal of barriers to disabled access in County facilities.

2. CAPITAL PROJECTS (BU 1712)
This fund provides for the construction of major capital facilities projects. Currently, these funds are reserved exclusively for the upcoming expansion project at the Mendocino County Jail. Over the past several of years the Board has set aside $1 million to be used for local cash match for the project. In 2017, the Bureau of State and Community Corrections (BSCC) announced that Mendocino County was conditionally awarded $25 million in lease revenue bond funding to expand the local jail. This project will take several years to complete, and is currently projected to be ready for occupancy in 2021. No other capital projects will be administered through this budget unit until the jail project is completed.

PERMANENT FUNDS

Permanent funds are used to account for resources that cannot be expended, but must be held in perpetuity. Funds are invested and only earnings, not principal, may be used for a specified purpose. The County has the following types of non-major permanent funds:

- **ENDOWMENT FUNDS**
There are several types of endowment funds. Term endowment funds have a built-in stipulation that either part or all of the principal may be used only after a pre-established period has elapsed. Unrestricted endowment funds can be used in any way the recipient chooses. Restricted endowment funds may have limitations put in place by the donor.

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
ASSETS				
Cash and Investments in County Treasury	$ 1,800,738	$ 122,366	$ 155,893	$ 374,731
Imprest Cash	395	-	-	-
Accounts Receivable	494	-	-	-
Taxes Receivable	512,136	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	$ 2,313,763	$ 122,366	$ 155,893	$ 374,731
LIABILITIES				
Accounts Payable	$ 54,871	$ 108	$ -	$ -
Accrued Salaries and Benefits	116,170	-	-	6,656
Total Liabilities	171,041	108	-	6,656
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable Endowments	-	-	-	-
Restricted	2,142,722	122,258	155,893	368,075
Assigned	-	-	-	-
Total Fund Balances	2,142,722	122,258	155,893	368,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,313,763	$ 122,366	$ 155,893	$ 374,731

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
ASSETS				
Cash and Investments in County Treasury	$ 548,183	$ 57,641	$ 124,673	$ 36,749
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	2	1
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	$ 548,183	$ 57,641	$ 124,675	$ 36,750
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ 437
Accrued Salaries and Benefits	-	-	-	-
Total Liabilities	-	-	-	437
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	548,183	57,641	124,675	36,313
Assigned	-	-	-	-
Total Fund Balances	548,183	57,641	124,675	36,313
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 548,183	$ 57,641	$ 124,675	$ 36,750

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter-governmental Transfer
ASSETS				
Cash and Investments in County Treasury	$ 3,713,758	$ 568,067	$ 1,197,642	$ 11,287,418
Imprest Cash	-	-	200	-
Accounts Receivable	606,172	-	141,938	-
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	361,251	-	137,943	-
Total Assets	$ 4,681,181	$ 568,067	$ 1,477,723	$ 11,287,418
LIABILITIES				
Accounts Payable	$ 486,869	$ 3,860	$ 123,873	$ 1,654,499
Accrued Salaries and Benefits	90,515	-	37,479	-
Total Liabilities	577,384	3,860	161,352	1,654,499
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	259,465	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	4,103,797	564,207	1,056,906	9,632,919
Assigned	-	-	-	-
Total Fund Balances	4,103,797	564,207	1,056,906	9,632,919
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,681,181	$ 568,067	$ 1,477,723	$ 11,287,418

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue		Permanent Fund	
	Whole Person Care	Capital Projects	Endowment Funds	Total
ASSETS				
Cash and Investments in County Treasury	$ 1,394,699	$ 1,888,372	$ 566,971	$ 23,837,901
Imprest Cash	-	-	-	595
Accounts Receivable	750,202	-	-	1,498,809
Taxes Receivable	-	-	-	512,136
Due From Other Governmental Agencies	-	-	-	499,194
Total Assets	$ 2,144,901	$ 1,888,372	$ 566,971	$ 26,348,635
LIABILITIES				
Accounts Payable	$ 512,721	$ 766,901	$ -	$ 3,604,139
Accrued Salaries and Benefits	13,309	-	-	264,129
Total Liabilities	526,030	766,901	-	3,868,268
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	750,202	-	-	1,009,667
FUND BALANCE				
Nonspendable	-	-	566,971	566,971
Restricted	868,669	-	-	19,782,258
Assigned	-	1,121,471	-	1,121,471
Total Fund Balances	868,669	1,121,471	566,971	21,470,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,144,901	$ 1,888,372	$ 566,971	$ 26,348,635

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
REVENUES				
Taxes	$ 2,870,111	$ -	$ -	$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	85,341	-	-	193,226
Revenue From Use of Money and Property	7,768	(11)	(1,212)	395
Fines, Forfeitures, and Penalties	-	4,241	-	-
Charges for Services	38,458	-	-	-
Other Revenue	713	-	-	-
Total Revenues	3,002,391	4,230	(1,212)	193,621
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	5,430	-	150,370
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,366,356	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	3,366,356	5,430	-	150,370
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(363,965)	(1,200)	(1,212)	43,251
OTHER FINANCING SOURCES (USES)				
Transfers In	1,408,238	-	-	-
Transfers Out	(119,523)	-	-	(5,990)
Total Other Financing Sources (Uses)	1,288,715	-	-	(5,990)
NET CHANGE IN FUND BALANCES	924,750	(1,200)	(1,212)	37,261
Fund Balances - Beginning of Year, Restated	1,217,972	123,458	157,105	330,814
FUND BALANCES - END OF YEAR	$ 2,142,722	$ 122,258	$ 155,893	$ 368,075

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	236,761	-	-	-
Revenue From Use of Money and Property	1,216	(266)	484	266
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	108,828	21,580
Other Revenue	-	1,144	-	19,803
Total Revenues	237,977	878	109,312	41,649
EXPENDITURES				
Current:				
General Government	-	-	54,223	5,249
Public Protection	134,788	39,275	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	134,788	39,275	54,223	5,249
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,189	(38,397)	55,089	36,400
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	103,189	(38,397)	55,089	36,400
Fund Balances - Beginning of Year, Restated	444,994	96,038	69,586	(87)
FUND BALANCES - END OF YEAR	$ 548,183	$ 57,641	$ 124,675	$ 36,313

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter-governmental Transfer
REVENUES				
Taxes	$ -	$ 88,000	$ 170,728	$ -
Licenses, Permits, and Franchises	-	-	358,205	-
Aid from other governmental agencies	5,416,991	606	1,645,651	6,621,450
Revenue From Use of Money and Property	(66,939)	(3,930)	650	(67,941)
Fines, Forfeitures, and Penalties	11,598	-	5,349	-
Charges for Services	216,210	-	21,722	96,717
Other Revenue	11,672	-	645	-
Total Revenues	5,589,532	84,676	2,202,950	6,650,226
EXPENDITURES				
Current:				
General government	123,277	-	-	-
Public protection	970,770	-	997,260	-
Public ways and facilities	-	51,665	-	-
Health and sanitation	7,461,820	-	914,167	15,287,967
Public assistance	109,646	-	-	-
Education	-	-	-	-
Recreation and Culture	376	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	8,665,889	51,665	1,911,427	15,287,967
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,076,357)	33,011	291,523	(8,637,741)
OTHER FINANCING SOURCES (USES)				
Transfers In	158,719	-	94,000	11,576,837
Transfers Out	(521,057)	-	(167,005)	(2,707,244)
Total Other Financing Sources (Uses)	(362,338)	-	(73,005)	8,869,593
NET CHANGE IN FUND BALANCES	(3,438,695)	33,011	218,518	231,852
Fund Balances - Beginning of Year, Restated	7,542,492	531,196	838,388	9,401,067
FUND BALANCES - END OF YEAR	$ 4,103,797	$ 564,207	$ 1,056,906	$ 9,632,919

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue		Permanent Fund	
	Whole Person Care	Capital Projects	Endowment Funds	Total
REVENUES				
Taxes	$ -	$ -	$ -	$ 3,128,839
Licenses, Permits, and Franchises	-	-	-	358,205
Aid from other governmental agencies	2,877,079	-	-	17,077,105
Revenue From Use of Money and Property	-	2,977	(3,805)	(130,348)
Fines, Forfeitures, and Penalties	-	-	-	21,188
Charges for Services	1,368,607	-	-	1,872,122
Other Revenue	-	-	-	33,977
Total Revenues	4,245,686	2,977	(3,805)	22,361,088
EXPENDITURES				
Current:				
General government	-	-	78,799	261,548
Public protection	-	-	-	2,297,893
Public ways and facilities	-	-	-	51,665
Health and sanitation	4,504,375	-	-	28,168,329
Public assistance	-	-	-	109,646
Education	-	-	-	3,366,356
Recreation and Culture	-	-	-	376
Capital Outlay	-	16,873,585	-	16,873,585
Total Expenditures	4,504,375	16,873,585	78,799	51,129,398
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(258,689)	(16,870,608)	(82,604)	(28,768,310)
OTHER FINANCING SOURCES (USES)				
Transfers In	981,260	16,853,897	-	31,072,951
Transfers Out	(1,901,877)	-	-	(5,422,696)
Total Other Financing Sources (Uses)	(920,617)	16,853,897	-	25,650,255
NET CHANGE IN FUND BALANCES	(1,179,306)	(16,711)	(82,604)	(3,118,055)
Fund Balances - Beginning of Year, Restated	2,047,975	1,138,182	649,575	24,588,755
FUND BALANCES - END OF YEAR	$ 868,669	$ 1,121,471	$ 566,971	$ 21,470,700

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,140,000	$ 2,140,000	$ 2,870,111	$ 730,111
Revenue From Use of Money and Property	34,954	34,954	7,768	(27,186)
Intergovernmental	-	85,341	85,341	-
Charges for Services	30,885	30,885	38,458	7,573
Other Revenues	8,800	8,800	713	(8,087)
Total Revenues	2,214,639	2,299,980	3,002,391	702,411
EXPENDITURES				
Current:				
Education	4,350,223	4,350,223	3,366,356	983,867
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,135,584)	(2,050,243)	(363,965)	1,686,278
OTHER FINANCING SOURCES (USES)				
Transfers In	1,379,826	1,379,826	1,408,238	28,412
Transfers Out	(73,000)	(73,000)	(119,523)	(46,523)
Total Other Financing Sources (Uses)	1,306,826	1,306,826	1,288,715	(18,111)
NET CHANGE IN FUND BALANCES	(828,758)	(743,417)	924,750	1,668,167
Fund Balances - Beginning of Year	1,217,972	1,217,972	1,217,972	-
FUND BALANCES - END OF YEAR	$ 389,214	$ 474,555	$ 2,142,722	$ 1,668,167

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – FISH AND GAME FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 1,700	$ 1,700	$ (11)	$ (1,711)
Fines, Forfeitures, and Penalties	10,000	10,000	4,241	(5,759)
Charges for Services	-	-	-	-
Total Revenues	11,700	11,700	4,230	(7,470)
EXPENDITURES				
Current:				
Public Protection	11,700	11,700	5,430	6,270
NET CHANGE IN FUND BALANCES	-	-	(1,200)	(1,200)
Fund Balances - Beginning of Year	123,458	123,458	123,458	-
FUND BALANCES - END OF YEAR	$ 123,458	$ 123,458	$ 122,258	$ (1,200)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – RECORDER MODERNIZATION FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 800	$ 800	$ 484	$ (316)
Charges for Services	61,000	61,000	108,828	47,828
Total Revenues	61,800	61,800	109,312	47,512
EXPENDITURES				
Current:				
General Government	52,700	54,423	54,223	200
NET CHANGE IN FUND BALANCES	9,100	7,377	55,089	47,712
Fund Balances - Beginning of Year	69,586	69,586	69,586	-
FUND BALANCES - END OF YEAR	$ 78,686	$ 76,963	$ 124,675	$ 47,712

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MICROGRAPHICS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ -	$ -	$ 266	$ 266
Charges for Services	74,819	74,819	21,580	(53,239)
Other Revenues	20,000	20,000	19,803	(197)
Total Revenues	94,819	94,819	41,649	(53,170)
EXPENDITURES				
Current:				
General Government	94,819	94,819	5,249	89,570
NET CHANGE IN FUND BALANCES	-	-	36,400	36,400
Fund Balances - Beginning of Year	(87)	(87)	(87)	-
FUND BALANCES - END OF YEAR	$ (87)	$ (87)	$ 36,313	$ 36,400

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MISCELLANEOUS GRANTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, Forfeitures, and Penalties	$ -	$ -	$ 11,598	$ 11,598
Intergovernmental	7,805,137	14,483,646	5,416,991	(9,066,655)
Revenue From Use of Money and Property	-	-	(66,939)	(66,939)
Charges for Services	(1,743,335)	(326,909)	216,210	543,119
Other Revenues	-	-	11,672	11,672
Total Revenues	6,061,802	14,156,737	5,589,532	(8,567,205)
EXPENDITURES				
Current:				
General Government	-	208,106	123,277	84,829
Public Protection	(591,767)	3,214,555	970,770	2,243,785
Health and Sanitation	6,796,988	10,984,746	7,461,820	3,522,926
Public Assistance	207,412	45,754	109,646	(63,892)
Recreation and Culture	-	-	376	(376)
Total Expenditures	6,412,633	14,453,161	8,665,889	5,787,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(350,831)	(296,424)	(3,076,357)	(2,779,557)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	105,000	158,719	53,719
Transfers Out	-	(38,726)	(521,057)	(482,331)
Total Other Financing Sources (Uses)	-	66,274	(362,338)	(428,612)
NET CHANGE IN FUND BALANCES	(350,831)	(230,150)	(3,438,695)	(3,208,169)
Fund Balances - Beginning of Year	7,542,492	7,542,492	7,542,492	-
FUND BALANCES - END OF YEAR	$ 7,191,661	$ 7,312,342	$ 4,103,797	$ (3,208,169)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS LIGHTING FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 86,685	$ 86,685	$ 88,000	$ 1,315
Intergovernmental	705	705	606	(99)
Revenue From Use of Money and Property	-	-	(3,930)	(3,930)
Total Revenues	87,390	87,390	84,676	(2,714)
EXPENDITURES				
Current:				
Public Ways and Facilities	47,000	47,000	51,665	(4,665)
NET CHANGE IN FUND BALANCES	40,390	40,390	33,011	(7,379)
Fund Balances - Beginning of Year	531,196	531,196	531,196	-
FUND BALANCES - END OF YEAR	$ 571,586	$ 571,586	$ 564,207	$ (7,379)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS OTHER FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 163,220	$ 163,220	$ 170,728	$ 7,508
Licenses, Permits, and Franchises	315,500	315,500	358,205	42,705
Revenue From Use of Money and Property	6,300	6,300	650	(5,650)
Fines, Forfeitures, and Penalties	5,000	5,000	5,349	349
Intergovernmental	1,185,220	1,185,220	1,645,651	460,431
Charges for Services	82,092	82,092	21,722	(60,370)
Other Revenues	2,550	2,550	645	(1,905)
Total Revenues	1,759,882	1,759,882	2,202,950	443,068
EXPENDITURES				
Current:				
Public Protection	739,700	789,700	997,260	(207,560)
Health and Sanitation	1,062,172	1,098,961	914,167	184,794
Total Expenditures	1,801,872	1,888,661	1,911,427	(22,766)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(41,990)	(128,779)	291,523	420,302
OTHER FINANCING SOURCES (USES)				
Transfers In	44,000	94,000	94,000	420,302
Transfers Out	-	(123,460)	(167,005)	(43,545)
Total Other Financing Sources (Uses)	44,000	(29,460)	(73,005)	376,757
NET CHANGE IN FUND BALANCES	2,010	(158,239)	218,518	797,060
Fund Balances - Beginning of Year	838,388	838,388	838,388	-
FUND BALANCES - END OF YEAR	$ 840,398	$ 680,149	$ 1,056,906	$ 797,060

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – INTER-GOVERNMENTAL TRANSFERS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 6,405,479	$ 6,405,479	$ 6,621,450	$ 215,971
Revenue From Use of Money and Property	-	-	(67,941)	(67,941)
Charges for Services	-	-	96,717	96,717
Total Revenues	6,405,479	6,405,479	6,650,226	215,971
EXPENDITURES				
Current:				
Health and Sanitation	3,062,192	15,087,125	15,287,967	(200,842)
Total Expenditures	3,062,192	15,087,125	15,287,967	(200,842)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,343,287	(8,681,646)	(8,637,741)	15,129
OTHER FINANCING SOURCES (USES)				
Transfers In	-	715,180	11,576,837	10,861,657
Transfers Out	(2,825,000)	(2,825,000)	(2,707,244)	117,756
Total Other Financing Sources (Uses)	(2,825,000)	(2,109,820)	8,869,593	10,979,413
NET CHANGE IN FUND BALANCES	518,287	(10,791,466)	231,852	10,994,542
Fund Balances - Beginning of Year	9,401,067	9,401,067	9,401,067	-
FUND BALANCES - END OF YEAR	$ 9,919,354	$ (1,390,399)	$ 9,632,919	$ 10,994,542

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – WHOLE PERSON CARE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,675,235	$ 1,675,235	$ 2,877,079	$ 1,201,844
Charges for Services	-	-	1,368,607	1,368,607
Total Revenues	1,675,235	1,675,235	4,245,686	2,570,451
EXPENDITURES				
Current:				
Health and Sanitation	3,934,834	3,934,834	4,504,375	(569,541)
Total Expenditures	3,934,834	3,934,834	4,504,375	(569,541)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,259,599)	(2,259,599)	(258,689)	2,000,910
OTHER FINANCING SOURCES (USES)				
Transfers In	154,030	154,030	981,260	827,230
Transfers Out	(154,030)	(1,445,219)	(1,901,877)	(456,658)
Total Other Financing Sources (Uses)	-	(1,291,189)	(920,617)	370,572
NET CHANGE IN FUND BALANCES	(2,259,599)	(3,550,788)	(1,179,306)	2,371,482
Fund Balances - Beginning of Year	2,047,975	2,047,975	2,047,975	-
FUND BALANCES - END OF YEAR	$ (211,624)	$ (1,502,813)	$ 868,669	$ 2,371,482

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 3,000	$ 3,000	$ 2,977	$ (23)
EXPENDITURES				
Current:				
Capital Outlay	3,496,600	17,126,806	16,873,585	253,221
Total Expenditures	3,496,600	17,126,806	16,873,585	253,221
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,493,600)	(17,123,806)	(16,870,608)	253,198
OTHER FINANCING SOURCES (USES)				
Transfers In	2,706,600	16,336,806	16,853,897	(517,091)
Total Other Financing Sources (Uses)	2,706,600	16,336,806	16,853,897	(517,091)
NET CHANGE IN FUND BALANCES	(787,000)	(787,000)	(16,711)	(263,893)
Fund Balances - Beginning of Year	1,138,182	1,138,182	1,138,182	-
FUND BALANCES - END OF YEAR	$ 351,182	$ 351,182	$ 1,121,471	$ (263,893)

INTERNAL SERVICE FUNDS

MENDOCINO
1850
COUNTY

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.

- **HEALTH INSURANCE**
  The Mendocino County Employee Self-Insured Health Plan fund is managed and administered by the County's Human Resources Department. This fund supports the County's medical and prescription drug plans. Dental and Vision plans are separately insured through Delta Dental and Vision Service Plan. The Employee Self-Insurance Health Plan fund also supports:

  - an Employee Assistance Program (EAP) –
    EAP services are provided by a vendor who offers counseling and referral services with the goal to provide assistance to employees for work related or personal issues that may impact job performance;
  - the Mendocino County Working on Wellness (MCWOW) Program –
    The MCWOW program provides opportunities for wellness for all employees and their insured family members through access to health promotion, education, assessments, activities and support, with a goal to help participants take responsibility for healthy lifestyle behaviors and choices leading toward high level wellness and reduced health care costs;
  - life, death and dismemberment coverage;
  - a Section 125 Plan (tax-deferred, flexible spending cafeteria plan); and
  - AirMed-Care air ambulance service memberships.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2021

ASSETS	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CURRENT ASSETS				
Pooled Cash and Investments in County Treasury	$ 4,527,512	$ 66,636	$ 692,890	$ 1,438,744
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Total Current Assets	4,527,512	66,636	692,890	1,438,744
NONCURRENT ASSETS				
Capital Assets:				
Depreciable, Net	2,434,789	74,141	-	-
Total Noncurrent Assets	2,434,789	74,141	-	-
Total Assets	6,962,301	140,777	692,890	1,438,744
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	65,950	-	-	74,937
Accrued Salaries and Benefits	-	-	-	5,930
Due to Other Funds	-	-	-	-
Compensated Absences Payable	-	-	-	18,992
Liability for Unpaid Claims	-	-	789,722	1,073,771
Total Current Liabilities	65,950	-	789,722	1,173,630
Total Liabilities	65,950	-	789,722	1,173,630
NET POSITION				
Net Investment in Capital Assets	2,434,789	74,141	-	-
Unrestricted	4,461,562	66,636	(96,832)	265,114
Total Net Position	$ 6,896,351	$ 140,777	$ (96,832)	$ 265,114

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2021

ASSETS	Workers' Compensation	Health Insurance	Total
CURRENT ASSETS			
Pooled Cash and Investments in County Treasury	$ 1,678,202	$ -	$ 8,403,984
Other Cash	-	87,668	87,668
Accounts Receivable	-	12,372	12,372
Total Current Assets	1,678,202	100,040	8,504,024
NONCURRENT ASSETS			
Capital Assets:			
Depreciable, Net	-	-	2,508,930
Total Noncurrent Assets	-	-	2,508,930
Total Assets	1,678,202	100,040	11,012,954
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	241	353,578	494,706
Accrued Salaries and Benefits	5,761	31,184	42,875
Due to Other Funds	-	797,071	797,071
Compensated Absences Payable	-	20,824	39,816
Liability for Unpaid Claims	-	2,571,698	4,435,191
Total Current Liabilities	6,002	3,774,355	5,809,659
Total Liabilities	6,002	3,774,355	5,809,659
NET POSITION			
Net Investment in Capital Assets	-	-	2,508,930
Unrestricted	1,672,200	(3,674,315)	2,694,365
Total Net Position	$ 1,672,200	$ (3,674,315)	$ 5,203,295

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
OPERATING REVENUES				
Charges and Fees	$ 100,167	$ -	$ 200,000	$ 2,352,604
Other Revenues	-	-	95,261	-
Total Operating Revenues	100,167	-	295,261	2,352,604
OPERATING EXPENSES				
Salaries and Benefits	-	-	-	129,975
Services and Supplies	1,293,634	-	861	377,288
Insurance	-	-	-	1,448,682
Depreciation	202,399	125,655	-	-
Claims and Judgments	-	-	400,712	814,227
Total Operating Expenses	1,496,033	125,655	401,573	2,770,172
OPERATING INCOME (LOSS)	(1,395,866)	(125,655)	(106,312)	(417,568)
NONOPERATING REVENUES (EXPENSES)				
Other Revenues	-	-	-	6,968
Interest Revenue (Expense)	(14,037)	(11)	(1,015)	(3,804)
Total Nonoperating Revenues	(14,037)	(11)	(1,015)	3,164
INCOME (LOSS) BEFORE TRANSFERS	(1,409,903)	(125,666)	(107,327)	(414,404)
TRANSFERS IN	2,617,931	-	-	-
TRANSFERS OUT	-	-	-	(266,506)
CHANGE IN NET POSITION	1,208,028	(125,666)	(107,327)	(680,910)
Net Position - Beginning of Year	5,688,323	266,443	10,495	946,024
NET POSITION - END OF YEAR	$ 6,896,351	$ 140,777	$ (96,832)	$ 265,114

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Health Insurance	Total
OPERATING REVENUES			
Charges and Fees	$ 4,983,598	$ 14,663,729	$ 22,300,098
Other Revenues	-	-	95,261
Total Operating Revenues	4,983,598	14,663,729	22,395,359
OPERATING EXPENSES			
Salaries and Benefits	83,977	605,593	819,545
Services and Supplies	20,250	715,162	2,407,195
Insurance	4,261,422	1,410,842	7,120,946
Depreciation	-	-	328,054
Claims and Judgments	-	14,791,594	16,006,533
Total Operating Expenses	4,365,649	17,523,191	26,682,273
OPERATING INCOME (LOSS)	617,949	(2,859,462)	(4,286,914)
NONOPERATING REVENUES (EXPENSES)			
Other Revenues	-	-	6,968
Interest Revenue (Expense)	825	(24,873)	(42,915)
Total Nonoperating Revenues	825	(24,873)	(35,947)
INCOME (LOSS) BEFORE TRANSFERS	618,774	(2,884,335)	(4,322,861)
TRANSFERS IN	-	-	2,617,931
TRANSFERS OUT	(5,820)	(346,084)	(618,410)
CHANGE IN NET POSITION	612,954	(3,230,419)	(2,323,340)
Net Position - Beginning of Year	1,059,246	(443,896)	7,526,635
NET POSITION - END OF YEAR	$ 1,672,200	$ (3,674,315)	$ 5,203,295

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts From Interfund Services Provided	$ 103,167	$ -	$ 295,261	$ 2,352,604
Cash Paid to Employees for Services	-	-	-	(119,379)
Cash Paid to Suppliers for Goods and Services	(1,894,822)	-	(407,634)	(2,366,222)
Net Cash Provided (Used) by Operating Activities	(1,791,655)	-	(112,373)	(132,997)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Noncapital Other Contributions	-	-	-	6,968
Transfers In	2,617,931	-	-	-
Transfers Out	-	-	-	(266,506)
Net Cash Provided (Used) by Noncapital Financing Activities	2,617,931	-	-	(259,538)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(2,323,678)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	(14,037)	(11)	(1,015)	(3,804)
Net Cash Provided (Used) by Investing Activities	(14,037)	(11)	(1,015)	(3,804)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,511,439)	(11)	(113,388)	(396,339)
Cash and Cash Equivalents - Beginning of Year	6,038,951	66,647	806,278	1,835,083
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,527,512	$ 66,636	$ 692,890	$ 1,438,744
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (1,395,866)	$ (125,655)	$ (106,312)	$ (417,568)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	202,399	125,655	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	3,000	-	-	-
Increase (Decrease) in:				
Accounts Payable	(601,188)	-	-	72,549
Accrued Salaries	-	-	-	1,959
Compensated Absences	-	-	-	8,637
Claims Liability	-	-	(6,061)	201,426
Net Cash Provided (Used) by Operating Activities	$ (1,791,655)	$ -	$ (112,373)	$ (132,997)

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Interfund Services Provided	$ 4,983,598	$ 15,016,990	$ 22,751,620
Cash Paid to Employees for Services	(91,128)	(607,142)	(817,649)
Cash Paid to Suppliers for Goods and Services	(4,285,083)	(17,194,814)	(26,148,575)
Net Cash Provided (Used) by Operating Activities	607,387	(2,784,966)	(4,214,604)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital Other Contributions	-	-	6,968
Transfers In	-	797,071	3,415,002
Transfers Out	(5,820)	(346,084)	(618,410)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,820)	450,987	2,803,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	(2,323,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(2,323,678)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	825	(24,873)	(42,915)
Net Cash Provided (Used) by Investing Activities	825	(24,873)	(42,915)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	602,392	(2,358,852)	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	1,075,810	2,446,520	12,269,289
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,678,202	$ 87,668	$ 8,491,652
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 617,949	$ (2,859,462)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	328,054
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	353,261	356,261
Increase (Decrease) in:			
Accounts Payable	(3,411)	131,966	(400,084)
Accrued Salaries	1,812	(271)	3,500
Compensated Absences	(8,963)	(1,278)	(1,604)
Claims Liability	-	(409,182)	(213,817)
Net Cash Provided (Used) by Operating Activities	$ 607,387	$ (2,784,966)	$ (4,214,604)

INVESTMENT TRUST FUNDS

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INVESTMENT TRUST FUNDS

Investment trust funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and college districts and other special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County has the following types of investment trust funds:

- **SPECIAL DISTRICTS LOCAL BOARDS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for special districts local boards.

- **SCHOOL DISTRICTS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for the Counties' schools and college.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF FIDUCIARY NET POSITION – INVESTMENT TRUST FUND
JUNE 30, 2021

	Special Districts Local Boards	School Districts	Total
ASSETS			
Cash and Investments in County Treasury	$ 21,251,272	$ 192,699,694	$ 213,950,966
NET POSITION			
Restricted for Pool Participants	$ 21,251,272	$ 192,699,694	$ 213,950,966

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION – INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 2021

	Special Districts Local Boards	School Districts	Total
ADDITIONS			
Contributions on Pooled Investments	$ 18,872,457	$ 317,952,746	$ 336,825,203
Interest and Investment Income	(35,197)	22,947	(12,250)
Total Additions	18,837,260	317,975,693	336,812,953
DEDUCTIONS			
Distributions from Investment Pool	20,624,272	308,353,502	328,977,774
Total Deductions	20,624,272	308,353,502	328,977,774
CHANGE IN NET POSITION	(1,787,012)	9,622,191	7,835,179
Net Position - Beginning of Year, Restated	23,038,284	183,077,503	206,115,787
NET POSITION - END OF YEAR	$ 21,251,272	$ 192,699,694	$ 213,950,966

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STATISTICAL SECTION

– STATISTICAL SECTION PHOTO –
Russian Gulch State Park, Mendocino, CA; photo by Megan Miltimore

COUNTY OF MENDOCINO
STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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COUNTY OF MENDOCINO
GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

					[2]
	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	$ 74,699	$ 75,464	$ 77,487	$ 83,929	$ 89,588
Restricted	23,253	29,746	30,589	29,584	30,684
Unrestricted	(31,191)	(26,506)	(28,097)	(162,305)	(159,976)
Total Primary Government Net Position	$ 66,761	$ 78,704	$ 79,979	$ (48,792)	$ (39,704)

	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Governmental Activities:					
Net Investment in Capital Assets	$ 94,282	$ 102,445	$ 109,538	$ 109,188	$ 129,961
Restricted	33,815	50,179	70,808	70,808	105,021
Unrestricted	(163,487)	(177,033)	(177,546)	(160,349)	(191,378)
Total Primary Government Net Position	$ (35,390)	$ (24,409)	$ 2,800	$ 19,647	$ 43,604

Notes:

1. Accounting standards require that net position be reported in the three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position are considered restricted when (1) externally imposed by creditors (such as debt covenants), grantors, contributor, or law or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

2. Due to the implementation of GASB 68 in FY 2015, the County is now required to recognize net pension liability on the financial statements.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Expenses (by Function)					
Governmental Activities:					
General Government	$ 17,900	$ 12,977	$ 15,163	$ 15,424	$ 17,558
Public Protection	48,624	49,524	52,834	55,033	56,687
Public Ways and Facilities	12,784	13,697	13,130	15,381	12,394
Health and Sanitation	35,317	30,084	35,195	36,322	32,292
Public Assistance	55,459	54,622	58,200	58,778	67,853
Education	1,754	2,115	2,635	2,965	3,540
Recreation and Culture	318	411	454	611	599
Debt Service:					
Interest	6,808	6,148	4,977	4,710	4,484
Total Primary Government Expenses	$ 178,964	$ 169,578	$ 182,588	$ 189,224	$ 195,407

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Expenses (by Function)					
Governmental Activities:					
General Government	$ 19,054	$ 18,343	$ 18,901	$ 22,640	$ 22,851
Public Protection	64,849	69,949	69,229	77,464	84,642
Public Ways and Facilities	14,232	13,277	16,113	22,550	22,350
Health and Sanitation	30,904	49,695	53,071	57,374	70,044
Public Assistance	70,006	72,611	71,373	77,122	80,230
Education	3,685	3,812	4,092	4,174	3,937
Recreation and Culture	536	461	524	554	617
Debt Service:					
Interest	4,252	4,087	3,870	3,405	2,923
Total Primary Government Expenses	$ 207,518	$ 232,235	$ 237,173	$ 265,284	$ 287,593

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,475	$ 2,947	$ 2,911	$ 2,846	$ 3,220
Public Protection	8,752	8,105	9,954	9,306	9,987
Public Ways and Facilities	329	303	268	234	247
Health and Sanitation	4,106	4,130	3,218	3,692	4,114
Public Assistance	281	100	142	274	219
Education	36	49	49	62	50
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	93,886	101,039	102,164	105,656	110,986
Capital Grants and Contributions	2,666	3,484	4,431	6,410	6,391
Total Primary Government Program Revenues	113,531	120,157	123,137	128,480	135,214
Total Primary Net Expense	$ (65,433)	$ (49,421)	$ (59,451)	$ 123,770	$ (60,193)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,731	$ 4,403	$ 9,111	$ 3,639	$ 4,024
Public Protection	11,091	9,626	9,602	10,321	9,045
Public Ways and Facilities	263	325	955	346	482
Health and Sanitation	3,843	5,944	10,696	6,396	7,934
Public Assistance	444	539	523	400	620
Education	57	-	58	29	787
Recreation and Culture	-	-	10	17	10
Operating Grants and Contributions	115,677	130,234	135,467	145,481	177,464
Capital Grants and Contributions	4,974	3,756	6,468	3,191	3,405
Total Primary Government Program Revenues	140,080	154,827	172,890	169,821	203,771
Total Primary Net Expense	$ (67,438)	$ (77,408)	$ (64,282)	$ (95,463)	$ (83,821)

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 40,622	$ 41,490	$ 41,090	$ 43,773	$ 46,801
Sales and Use Taxes	10,723	12,752	13,396	14,687	14,507
Transient Occupancy Tax	3,556	3,618	3,856	4,491	4,945
Other	287	334	388	426	429
Unrestricted Interest and Investment Earning	1,026	780	375	274	431
Gain on Sale of Assets	-	-	155	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	2,428	1,939	1,467	4,258	2,168
Total Primary Government	58,642	60,913	60,727	67,909	69,281
Change in Net Position					
Total Primary Government	$ (6,791)	$ 11,492	$ 1,276	$ 67,909	$ 9,088

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 48,171	$ 50,490	$ 51,843	$ 51,500	$ 55,715
Sales and Use Taxes	14,912	17,480	25,084	24,743	31,030
Transient Occupancy Tax	5,152	5,682	5,872	4,785	7,961
Other	504	2,025	4,660	6,227	6,727
Unrestricted Interest and Investment Earning	719	1,396	1,683	3,141	549
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	-	-	22,652	-
Miscellaneous	2,294	2,638	2,347	2,136	2,375
Total Primary Government	71,752	79,711	91,490	115,183	104,357
Change in Net Position					
Total Primary Government	$ 4,314	$ 2,303	$ 27,208	$ 19,721	$ 20,535

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,				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	$ 102	$ 77	$ 91	$ 115	$ 133
Restricted	-	-	-	-	-
Assigned	221	-	15,572	19,403	24,390
Unassigned	12,147	18,682	11,693	15,330	12,938
Total General Fund	$ 12,470	$ 18,759	$ 27,356	$ 34,848	$ 37,461
All Other Governmental Funds					
Nonspendable	$ 597	$ 589	$ 651	$ 692	$ 666
Restricted	16,815	20,776	25,281	24,060	24,094
Assigned	-	-	-	-	407
Unassigned	(9)	(10)	(9)	(10)	-
Total All Other Governmental Funds	17,403	21,355	25,923	24,742	25,167
Total Governmental Funds Balances	$ 29,873	$ 40,114	$ 53,279	$ 59,590	$ 62,628

	June 30,				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	$ 115	$ 139	$ 177	$ 230	$ 263
Restricted	-	7,071	8,330	9,074	8,714
Assigned	27,541	29,626	25,887	25,542	50,404
Unassigned	8,931	6,936	12,336	35,503	21,605
Total General Fund	$ 36,587	$ 43,772	$ 46,730	$ 70,349	$ 80,987
All Other Governmental Funds					
Nonspendable	$ 525	$ 589	$ 534	$ 571	$ 1,208
Restricted	33,357	31,286	46,947	57,594	65,322
Assigned	997	587	771	1,138	1,121
Unassigned	(1)	-	(22)	(1,536)	-
Total All Other Governmental Funds	34,878	32,462	48,230	57,767	67,652
Total Governmental Funds Balances	$ 71,465	$ 76,234	$ 94,960	$ 128,117	$ 148,639

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenues					
Taxes	$ 55,960	$ 58,193	$ 58,730	$ 63,378	$ 66,682
Licenses, Permits, and Franchises	2,723	2,799	2,913	2,925	2,812
Intergovernmental	97,596	101,447	109,770	112,479	115,851
Revenue from Use of Money and Property	771	735	338	247	387
Fines, Forfeitures, and Penalties	2,345	1,738	3,019	1,856	1,940
Charges for Services	11,985	10,873	10,676	11,621	12,995
Other Revenues	2,428	1,939	1,623	4,258	2,168
Total Revenues	$ 173,808	$ 177,724	$ 187,069	$ 196,764	$ 202,835
Expenditures					
Current:					
General Government	$ 13,371	$ 12,786	$ 13,624	$ 13,854	$ 15,524
Public Protection	42,969	44,681	47,135	50,825	55,365
Public Ways and Facilities	9,661	12,999	14,118	20,052	17,025
Health and Sanitation	28,999	29,080	28,563	32,915	32,859
Public Assistance	52,835	52,733	56,487	57,052	63,626
Education	1,562	1,997	2,459	2,765	2,998
Recreation and Culture	295	386	421	521	551
Debt Service:					
Principal	5,269	5,422	4,765	4,986	5,214
Interest	7,453	5,686	5,073	4,821	4,602
Capital Outlay	6,229	1,045	1,018	2,234	1,029
Total Expenditures:	168,643	166,815	173,663	190,025	198,793
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ 5,165	$ 10,909	$ 13,406	$ 6,739	$ 4,042
Other Financing Sources (Uses)					
Transfers In	$ 14,886	$ 15,699	$ 16,454	$ 16,190	$ 17,305
Transfers Out	(15,113)	(15,896)	(16,696)	(16,618)	(18,310)
Issuance of Refunding Debt	25,810	-	-	-	-
Payment to Refunded Bond Escrow Agent	(24,130)	-	-	-	-
Total Other Financing Sources (Uses)	$ 1,453	$ (197)	$ (242)	$ (428)	$ (1,005)
Extraordinary Item					
RDA Dissolution	$ (1,405)	$ -	$ -	$ -	$ -
Net Changes in Fund Balances	$ 5,213	$ 10,712	$ 13,164	$ 6,311	$ 3,037
Debt Service as a Percentage of Noncapital Expenditures	7.83%	6.70%	5.70%	5.22%	4.96%

Note: Debt Service as a Percentage of Noncapital Expenditures was determined as follows:
(Principal and Interest) divided by (Total Expenditures less Expenditures for General Capital Assets, Infrastructure and Other Related Capital Assets Adjustments)

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues					
Taxes	$ 68,739	$ 75,677	$ 87,460	$ 87,255	$ 101,433
Licenses, Permits, and Franchises	3,377	4,361	4,963	5,270	5,477
Intergovernmental	124,372	126,097	141,152	153,219	173,640
Revenue from Use of Money and Property	622	1,218	1,505	2,824	592
Fines, Forfeitures, and Penalties	1,619	1,475	1,517	1,413	978
Charges for Services	14,629	15,138	19,408	14,366	16,428
Other Revenues	1,849	2,071	2,347	24,788	2,375
Total Revenues	$ 215,207	$ 226,037	$ 258,353	$ 289,135	$ 300,924
Expenditures					
Current:					
General Government	$ 15,554	$ 15,732	$ 16,793	$ 17,206	$ 19,034
Public Protection	56,020	62,481	64,257	68,314	75,440
Public Ways and Facilities	14,978	15,349	20,239	20,826	21,857
Health and Sanitation	36,814	48,410	52,052	55,034	67,956
Public Assistance	65,624	68,936	68,425	71,621	74,985
Education	3,409	3,523	3,965	3,753	3,549
Recreation and Culture	462	405	468	470	541
Debt Service:					
Principal	5,470	5,745	6,035	6,345	6,670
Interest	4,376	4,218	4,008	3,626	3,081
Capital Outlay	3,706	5,297	2,848	4,866	20,097
Total Expenditures	206,413	230,096	239,092	252,062	293,210
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ 8,794	$ (4,059)	$ 19,262	$ 37,073	$ 7,714
Other Financing Sources (Uses)					
Transfers In	$ 21,279	$ 20,186	$ 19,050	$ 21,272	$ 54,432
Transfers Out	(21,235)	(20,036)	(19,585)	(25,188)	(56,432)
Issuance of Refunding Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	$ 44	$ 150	$ (535)	$ (3,916)	$ (2,000)
Extraordinary Item					
RDA Dissolution	$ -	$ -	$ -	$ -	$ -
Net Changes in Fund Balances	$ 8,838	$ (3,909)	$ 18,726	$ 33,156	$ 5,714
Debt Service as a Percentage of Noncapital Expenditures	4.86%	4.43%	4.25%	4.03%	3.64%

COUNTY OF MENDOCINO
ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	Total Direct Tax Rate
2012	$ 9,872,631	$ 371,954	$ (270,752)	$ 9,973,833	1.00 %
2013	9,820,376	371,189	(281,736)	9,909,829	1.00
2014	9,976,381	358,517	(299,898)	10,035,000	1.00
2015	10,206,167	367,186	(341,186)	10,232,167	1.00
2016	10,548,988	365,106	(367,170)	10,546,924	1.00
2017	10,948,983	376,939	(386,910)	10,939,012	1.00
2018	11,412,322	365,378	(406,068)	11,371,632	1.00
2019	11,863,702	384,724	(418,358)	11,830,068	1.00
2020	12,251,471	391,328	(435,039)	12,207,760	1.00
2021	12,792,627	377,022	(533,417)	12,636,232	1.00

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are 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 XIIIA, 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 limites the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PROPERTY TAX RATE – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Basic Countywide Levy	Unitary Debt Service	Schools	Junior College	Special Districts	Incorporated Cities	Total
2012	1.0000 %	0.2300 %	0.5110 %	0.0560 %	0.0390 %	0.0060 %	1.8420 %
2013	1.0000	0.2330	0.6110	0.0560	0.0400	-	1.9400
2014	1.0000	0.2590	0.6040	0.0540	0.0280	-	1.9450
2015	1.0000	0.2600	0.6520	0.0540	0.0280	-	1.9940
2016	1.0000	0.2620	0.6040	0.0500	0.0320	-	1.9480
2017	1.0000	0.2700	0.8700	0.0700	0.0100	-	2.2200
2018	1.0000	0.2990	0.7770	0.0690	0.0150	-	2.1600
2019	1.0000	0.3130	0.7910	0.0680	0.0130	-	2.1850
2020	1.0000	0.3240	0.8370	0.0700	0.0130	-	2.2440
2021	1.0000	0.3460	0.8410	0.0700	0.0130	-	2.2700

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PRINCIPAL PROPERTY TAXPAYERS
MOST RECENT YEAR AND NINE YEARS AGO
(IN THOUSANDS OF DOLLARS)

Fiscal Year Ended June 30, 2021	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	$3,648,483	2.35 %
Mendocino Forest Products, Inc.	Mfg./Sawmill	898,778	0.58
VCT USA, Inc. (Fetzer)	Vineyard/Winery	714,401	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	514,638	0.33
Waterfowl Wine Company	Vineyard/Winery	403,180	0.26
Vintage Wine Estates, Inc.	Vineyard/Winery	390,271	0.25
Costco Wholesale Corporation	Retail Sales	279,742	0.18
Lyme Redwood Timberlands LLC	Timberland	249,682	0.16
Pear Tree REH LLC	Shopping Center	236,119	0.15
Pacific Bell Telephone Co.	Communicatons	221,188	0.14
Total Principal Property Taxpayers		7,556,482	4.88 %
All Other Taxes Levied		147,401,921	95.12
TOTAL		$ 154,958,403	100.00 %

Fiscal Year Ended June 30, 2012	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	$ 2,030,377	1.77 %
Fetzer Vineyards	Vineyard/Winery	942,377	0.82
Mendocino Forest Products, Inc.	Mfg./Sawmill	526,538	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	458,271	0.40
Pacific Bell Telephone Co.	Communication	424,416	0.37
Georgia Pacific Corp.	Industrial Site	351,783	0.31
Heritage Wine, LLC	Vineyard/Winery	257,146	0.22
Hawthorne Timber Co.	Timberland	231,766	0.20
Pear Orchard Associates	Shopping Center	199,173	0.17
Safeway, Inc.	Grocery	171,091	0.15
Total Principal Property Taxpayers		5,592,939	4.88 %
All Other Taxes Levied		109,058,112	95.12
TOTAL		$ 114,651,051	100.00 %

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured, Unitary & Unsecured Tax Levies	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [3]	Delinquent Amount	Percent of Levy Delinquent
		Collected Amount	Percent of Original Levy			
2012	$ 100,229	$ 96,589	96.37 %	*nda*	$ 3,640	3.63 %
2013	99,945	96,699	96.75	*nda*	3,246	3.25
2014	101,867	98,876	97.06	*nda*	2,991	2.94
2015	103,757	100,788	97.14	*nda*	2,969	2.86
2016	107,494	104,617	97.32	*nda*	2,877	2.68
2017	111,699	108,468	97.11	*nda*	3,231	2.89
2018	116,240	112,818	97.06	*nda*	3,422	2.94
2019	121,182	117,506	96.97	*nda*	3,677	3.03
2020	125,471	121,262	96.65	*nda*	4,209	3.35
2021	147,503	142,617	96.69	*nda*	4,885	3.31

Notes:

1. Includes Secured, Unsecured, and Unitary Taxes levied for the county itself, school districts, cities, and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.
2. Does not include bond tax or direct tax levies.
3. No data available (*nda*). Collections in Subsequent Years are not available from the County's current property tax system.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Type of Business	Fiscal Year Ended June 30, 2012	2013	2014	2015	2016
Motor Vehicle & Parts Dealers	$ 115,334	$ 125,117	$ 136,193	$ 149,385	$ 170,993
Home Furnishings & Appliance Stores	24,828	26,922	29,000	29,602	30,461
Building/Garden Material & Equipment	130,832	138,031	142,562	151,499	169,373
Food and Beverage Stores	107,362	109,465	107,522	109,872	113,917
Gasoline Stations	198,884	209,704	211,714	196,341	167,570
Clothing & Clothing Accessories Stores	29,056	31,652	33,875	36,104	38,214
General Merchandise Stores	81,063	81,096	80,647	82,826	87,482
Food Services and Drinking Places	102,203	108,296	116,533	127,399	139,064
Other Retail	116,692	123,091	128,269	132,419	139,921
Total Retail & Food Services	906,255	953,373	986,313	1,015,446	1,056,995
All Other Outlets	281,559	307,093	332,657	340,664	346,703
Totals	$ 1,187,814	$ 1,260,466	$ 1,318,970	$ 1,356,109	$ 1,403,698

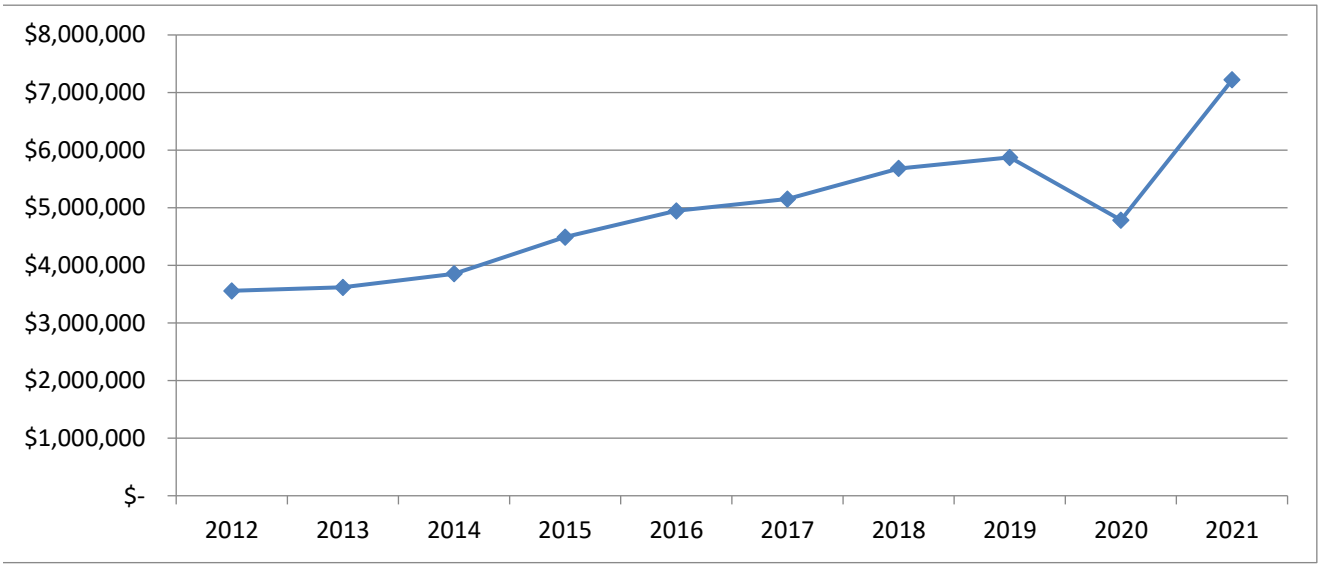
Type of Business	Fiscal Year Ended June 30, 2017	2018	2019	2020	2021
Motor Vehicle & Parts Dealers	$ 181,773	$ 183,042	$ 180,355	$ 206,502	$ 245,473
Home Furnishings & Appliance Stores	27,913	27,654	26,134	26,901	35,418
Building/Garden Material & Equipment	176,471	168,996	174,335	208,847	254,826
Food and Beverage Stores	115,181	119,226	112,069	117,617	134,755
Gasoline Stations	169,709	202,565	203,166	182,512	209,082
Clothing & Clothing Accessories Stores	39,382	38,742	40,859	36,727	49,211
General Merchandise Stores	86,588	87,186	145,673	159,642	179,132
Food Services and Drinking Places	144,571	143,818	145,768	125,873	138,571
Other Retail	146,801	148,291	161,435	205,460	281,913
Total Retail & Food Services	1,088,387	1,119,521	1,189,794	1,270,080	1,528,382
All Other Outlets	348,929	347,423	336,996	355,165	457,692
Totals	$ 1,437,317	$ 1,466,943	$ 1,526,790	$ 1,625,245	$ 1,986,074

Note: Values are shown on a fiscal year basis (quarters 3 & 4 of prior year, plus quarters 1 & 2 of current year). Data for fiscal years 2016-present is from CDTFA (California Department of Tax and Fee Administration), using published quarterly values. Data for fiscal years 2012-2015 is from State Board of Equalization, based on an average of the two calendar years included in the fiscal year period.

Source: California Department of Tax and Fee Administration; State Board of Equalization

COUNTY OF MENDOCINO
TRANSIENT OCCUPANCY TAX – ACTUAL RECEIPTS
LAST TEN FISCAL YEARS

Fiscal Year		Annual Revenue	Growth Rate
2012	$	3,556,307	7.98 %
2013		3,617,553	1.72
2014		3,855,504	6.58
2015		4,491,130	16.49
2016		4,944,101	10.09
2017		5,152,109	4.21
2018		5,682,028	10.29
2019		5,872,388	3.35
2020		4,784,925	(18.52)
2021		7,219,977	50.89



Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities: Certificates of Participation	Governmental Activities: Pension Obligation Bonds	Governmental Activities: Capital Leases	Governmental Activities: Long-Term Loans	Total Governmental Activities [1]	Per Capita [2]	Percentage of Personal Debt Limit [2]
2012	$ 24,505	$ 79,575	$ -	$ 936	$ 105,016	$ 1,207	3.10 %
2013	23,530	76,000	-	65	99,595	1,145	2.87
2014	22,545	72,245	-	39	94,829	1,090	2.58
2015	21,525	68,305	-	13	89,843	1,033	2.33
2016	20,480	64,150	-	-	84,630	962	2.13
2017	19,395	59,765	-	-	79,160	900	1.89
2018	18,280	55,135	-	-	73,415	829	1.67
2019	17,130	50,250	-	-	67,380	777	1.53
2020	15,940	45,095	-	-	61,035	709	1.29
2021	14,710	39,655	-	-	54,365	632	1.15

Notes:

1. Shows all debt shown for governmental activities.
2. See the "Demographics and Economic Statistics" schedule for population figures. Prior year figures have been updated with 2020 demographics, published in November of 2021.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Total Assessed Valuation	Legal Debt Limit [1]	Total Net Debt Applicable to Exemptions [2]	Legal Debt Margin [3]	Legal Debt Margin/ Debt Limit
2012	$ 9,973,833	$ 124,673	$ -	$ 124,673	100 %
2013	9,909,829	123,873	-	123,873	100
2014	10,035,000	125,438	-	125,438	100
2015	10,232,167	127,902	-	127,902	100
2016	10,546,924	131,837	-	131,837	100
2017	10,939,012	136,738	-	136,738	100
2018	11,371,632	142,145	-	142,145	100
2019	11,830,068	147,876	-	147,876	100
2020	12,207,760	152,597	-	152,597	100
2021	12,636,232	157,953	-	157,953	100

Notes:

1. The legal debt limit is set by statute at 1.25% of the total assessed valuation.
2. The County does not have any General Bonded Debt.
3. The legal debt margin is the legal debt limit reduced by all general bonded debt.

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
ASSESSED VALUATION
JUNE 30, 2021

2020-21 Assessed Valuation (Includes Unitary Utility Valuation) $ 12,636,231,964

DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT	Total Debt at June 30, 2021	Percentage Applicable	County's Share of Debt at June 30, 2021
Mendocino County Certificates of Participation	$ 14,710,000	100.000	$ 14,710,000
Mendocino County Pension Obligation Bonds	39,655,000	100.000	39,655,000
TOTAL DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT			54,365,000
DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			
Anderson Valley Unified School District	6,370,801	100.000	6,370,801
Arena Union School District	1,159,062	100.000	1,159,062
Fort Bragg Unified School District	37,324,101	100.000	37,324,101
Laytonville Unified School District	7,565,000	100.000	7,565,000
Mendocino Coast Hospital District	4,130,746	100.000	4,130,746
Mendocino Lake Community College District	82,095,656	66.920	54,938,413
Mendocino Unified School District	26,729,522	100.000	26,729,522
Point Arena Joint Union High School District	-	59.350	-
Potter Valley Unified School District	2,735,000	100.000	2,735,000
Redwoods Joint Community College District	23,865,000	13.660	3,259,959
Round Valley Unified School District	8,250,423	100.000	8,250,423
Sonoma County Joint Community College District 2002	131,280,000	1.120	1,470,336
Sonoma County Joint Community College District 2014	224,925,000	1.120	2,519,160
Southern Humboldt Unified School District	20,957,855	2.160	452,690
Ukiah Unified School District	64,841,421	100.000	64,841,421
Willits Unified School District	14,837,054	100.000	14,837,054
TOTAL DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			236,583,688
TOTAL DIRECT DEBT			54,365,000
TOTAL OVERLAPPING DEBT			236,583,688
COMBINED TOTAL DEBT			$ 290,948,688

RATIOS of 2020-21 ASSESSED VALUATIONS

Total Direct Debt ($54,365,000)	0.430%
Total Overlapping Tax and Assessment Debt	1.872%
Total Combined Debt	2.302%

Notes:

1. Percentage of overlapping debt applicable to county is determined using taxable assessed property value. Applicable percentages were determined by the portion of the overlapping district's assessed value that is within the boundaries of the county, divided by the district's total taxable assessed value.
2. Excluedes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Per Capita Income [1]	Total Personal Income (000's) [1]	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2011	87,442	$ 38,493	$ 3,365,946	41.4	12,992	11.4 %
2012	87,409	38,737	3,385,984	41.7	13,049	10.0
2013	87,207	39,814	3,472,065	41.8	13,100	8.3
2014	87,449	42,051	3,677,284	42.0	13,148	7.0
2015	87,353	44,161	3,857,573	42.2	13,009	5.8
2016	87,628	45,436	3,981,438	42.3	13,210	5.3
2017	88,018	47,646	4,193,701	42.7	13,174	4.5
2018	87,606	50,150	4,393,445	42.4	13,203	3.9
2019	86,749	52,976	4,595,625	42.8	13,131	4.0
2020	86,061	54,795	4,715,675	43.1	13,245	8.9
2021	-	-	-	-	12,881	-

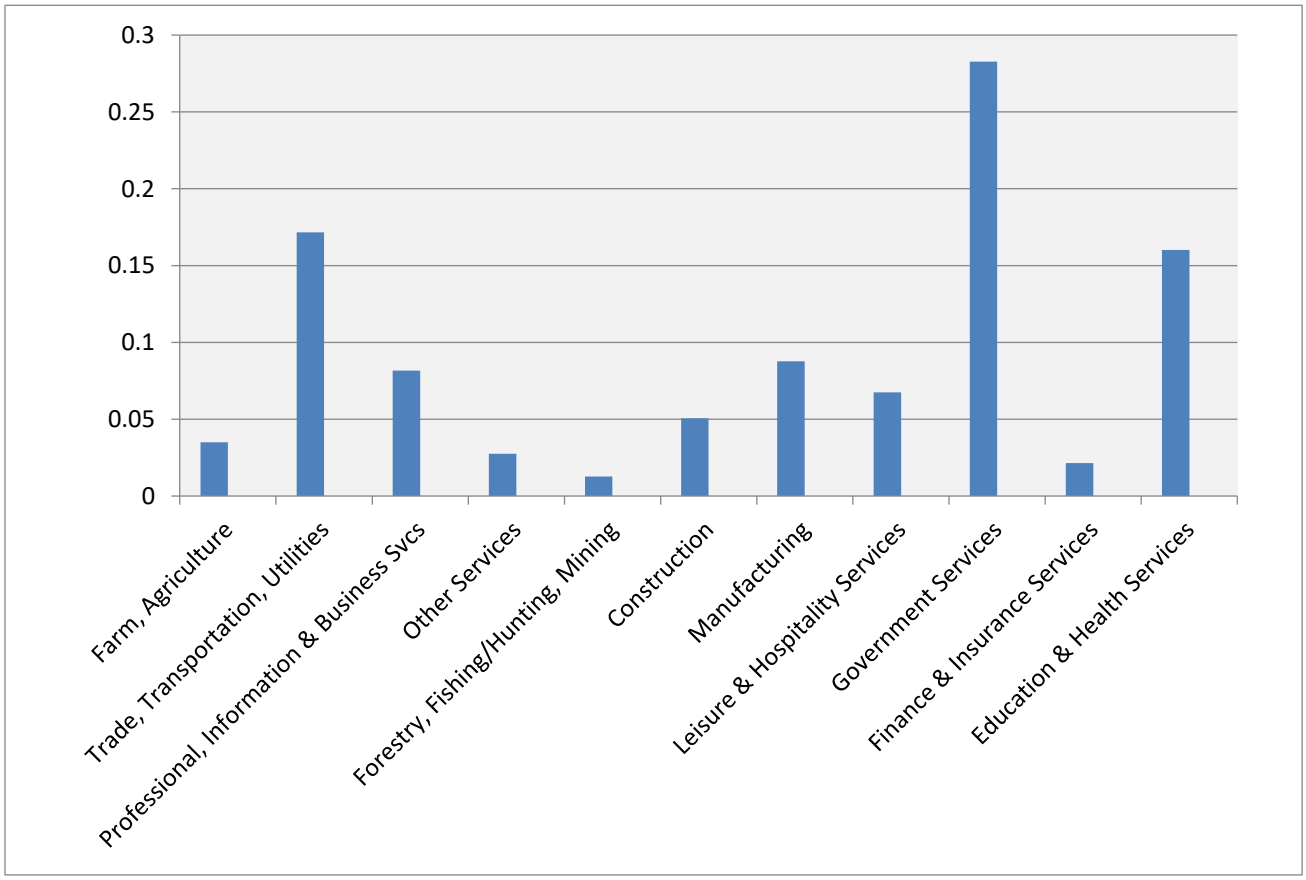
Note: Current Calendar Year data not yet available.

Source:

1. Bureau of Economic Analysis, 2020 data published November 16, 2021.
2. California Employment Development Department; Labor Market Info Division; 2015-19 5-yr survey.
3. California Department of Education, Demographics, Dataquest, County, Enrollment Data, FY 2020-21.
4. California Employment Development Department, Labor Market Info Division; Report 400 C, Monthly Labor Force Data for Counties, Annual Average 2020 (March 12, 2021 March 2020 Benchmark)

COUNTY OF MENDOCINO
INDUSTRY EMPLOYMENT DISTRIBUTION
MOST RECENT YEAR

Industry Employment Distribution	Compensation	Percent
Farm, Agriculture	$ 69,081	3.5 %
Trade, Transportation, Utilities	358,181	18.3
Professional, Information & Business Svcs	175,655	9.0
Other Services	55,886	2.9
Forestry, Fishing/Hunting, Mining	26,659	1.4
Construction	101,360	5.2
Manufacturing	179,225	9.1
Leisure & Hospitality Services	101,529	5.2
Government Services	534,271	27.3
Finance & Insurance Services	42,210	2.2
Education & Health Services	316,394	16.1
	$ 1,960,451	100.0 %



Source: Bureau of Econoic Analysis, 2020 data published November 16, 2021.

COUNTY OF MENDOCINO
PRINCIPAL EMPLOYERS
MOST RECENT YEAR AND NINE YEARS AGO

2021 Principal Employers	Location	Industry
Adventist Health Howard Meml	Willits	Hospitals
Adventist Health Mendocino Cst	Fort Bragg	Hospitals
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
California Department-Forestry	Willits	Fire Departments
Costco Wholesale	Ukiah	Wholesale Clubs
Coyote Valley Casino	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Wineries (mfrs)
Mendocino Community Health	Ukiah	Clinics
Mendocino County	Ukiah, Fort Bragg, Willits	Government Offices-County
Mendocino Co. Office of Educatioin	Ukiah	Boards of Education
Mendocino Redwood Co LLC	Calpella	Restaurants
Metalfx Inc	Willits	Sheet Metal Fabricators (mfrs)
Pacific Coast Farm Credit	Ukiah	Loans-Agricultural
Pacific Medical Resources	Fort Bragg	Nursing Services
Safeway	Fort Bragg	Grocers-Retail
Sawmill	Ukiah	Sawmills & Planing Mills-General (mfrs)
Ukiah City Civic Ctr	Ukiah	Government Offices-City/Village & Twp
Ukiah High School	Ukiah	Schools
Ukiah Valley Medical Ctr	Ukiah	Hospitals
Walmart	Ukiah	Department Stores

2012 Principal Employers	Location	Industry
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
City of Ukiah	Ukiah	City Services
County of Mendocino	Ukiah	County Services
Coyote Valley Tribe of Pomo Indians	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Vineyard/Winery
Hopland Band of Pomo Indians	Hopland	Casinos
Mendocino Coast Auxilary Hospital	Fort Bragg	Hospitals
Mendocino Coast Health Care	Fort Bragg	Outpatient Services
Mendocino Lake Community College	Ukiah	Education
Safeway	Ukiah	Grocery
Ukiah Unified School District	Ukiah	Education
Wal-Mart Stores, Inc.	Ukiah	Retail
Willits Hospital	Willits	Hospitals

Notes:

1. Major Employers, per California Employment Development Dept (EDD), Labor Market Information (LMI) data, LMI by Subject, Industries, Major Employers in each California County, Mendocino (edited). Per EDD webpage reference, the list was extracted from ALMIS Employer Database, 2022 2nd Edition.

COUNTY OF MENDOCINO
COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL										
General Government	144.60	140.60	143.10	132.50	134.50	135.50	144.50	145.50	148.50	148.50
Public Protection	434.80	435.80	439.80	440.80	449.80	454.80	462.80	465.80	465.30	464.00
Public Ways & Facilities	130.10	127.10	127.10	126.60	125.60	124.60	127.60	127.60	126.60	126.60
Health and Sanitation	288.90	264.90	251.10	222.20	213.20	208.20	195.80	191.80	193.80	194.05
Public Assistance	439.00	423.00	426.00	423.00	420.00	420.00	421.00	426.00	427.00	426.00
Recreation & Education	29.30	35.55	38.55	40.05	40.05	40.05	44.05	41.05	41.05	44.50
Total Governmental	1,466.70	1,426.95	1,425.65	1,385.15	1,383.15	1,383.15	1,395.75	1,397.75	1,402.25	1,403.65
SPECIAL DISTRICTS										
Water Resource Agency	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Air Quality Mgmt District	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Total Special Districts	10.00	10.00	10.00	10.00	11.00	11.00	11.00	9.00	9.00	9.00
TOTAL All Positions	1,476.70	1,436.95	1,435.65	1,395.15	1,394.15	1,394.15	1,406.75	1,406.75	1,411.25	1,412.65

Note: Positions shown are approved budget, full-time equivalent positions

Source: Mendocino County Adopted Budget Book, Position Allocations

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT										
Assessor (BU 1120)										
Deeds Processed	3,629	4,143	3,799	4,074	4,089	4,124	4,046	3,781	3,726	3,973
Appraisals Completed	*nda*	14,319	13,183	12,580	13,611	13,630	13,023	12,449	7,977	12,212
Elections (BU 1410)										
Registration Cards Processed	5,773	7,921	5,012	5,295	17,575	11,078	8,689	22,195	28,249	27,561
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	27,572	27,410	28,037	26,176	23,808	24,317	22,184	25,331	24,103	26,623
Marriage Licenses Issued	486	513	593	507	588	548	489	554	404	260
Fictitious Business Names Filed	859	831	862	893	903	912	806	894	651	676
PUBLIC PROTECTION										
Adult Corrections (BU 2510)										
Prisoners Booked	5,661	5,765	5,597	5,056	4,989	4,007	7,505	4,831	3,728	3,672
Average Daily Population	253	266	292	301	305	304	303	286	258	239
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	4,918	4,615	4,421	4,200	4,003	3,882	3,838	3,799	3,474	3,205
TOTAL Collections	$6.18M	$6.25M	$5.86M	$5.78M	$5.63M	$5.54M	$5.64M	$5.73M	$5.66M	$6.45M
Cases with Support Order	91%	93%	94%	94%	94%	94%	93%	93%	93%	94%
Collections w/Mnthly Supp Obligation	61%	66%	67%	68%	68%	68%	67%	68%	69%	69%
Cases w/Collections on Past Due	61%	65%	65%	66%	67%	69%	68%	69%	74%	73%
District Attorney (BU 2070)										
Sentences to State Prison	117	130	97	148	141	151	128	124	114	81
Realignment County Prison [1]	44	65	72	95	99	77	64	43	48	32
Planning and Building (BU 2851)										
Planning Applications	481	541	644	765	833	1,448	415	522	661	632
Building and Grading Permits	1,545	1,806	1,772	1,880	2,020	2,376	2,260	2,938	3,960	4,264
Building Inspections	6,571	8,086	7,282	6,292	5,633	6,389	7,030	9,857	8,757	9,699
Probation (BU 2560) [3]										
Adult Reports	*nda*	374	475	571	613	568	524	536	445	cal yr
Juvenile Reports	*nda*	367	280	229	196	127	184	195	142	cal yr
Juvenile Hall Bookings	504	403	267	296	273	303	311	201	119	cal yr
Juvenile Hall AVG Daily Population [2]	24	21	11	14	22	20	16	13	8	cal yr

Notes:

1. Prison commitments served in County jail due to realignment statues, effective October 1, 2011.
2. 2015-2017 includes juveniles housed as part of a contract with Lake County.
3. 2020 was significantly impacted by COVID. Due to the continuation of the pandemic, it will likely impact the following year as well.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC PROTECTION (CONTINUED)										
Public Defender (BU 2080)										
New Cases	4,171	5,401	5,461	4,941	4,417	5,060	5,391	5,819	5,546	4,637
Sheriff (BU 2310)										
Number of Arrests	2,236	2,447	2,259	2,011	2,255	2,157	2,412	1,931	2,114	1,377
Cororner Case Load	309	301	344	323	327	359	259	341	299	482
Call for Service	33,666	38,378	40,023	38,776	45,028	64,204	64,925	70,605	38,382	60,367
Animal Control (BU 2310)										
Citations	*nda*	57	82	23	11	21	61	18	8	10
Animal Complaint Cases	*nda*	311	325	308	281	316	292	153	267	231
Calls for Service	3,124	2,628	3,092	2,902	2,815	3,445	3,319	3,989	3,441	2,209
Bite-related Calls for Service	*nda*	177	162	208	188	189	189	175	187	142
PUBLIC WAYS AND FACILITIES										
Public Works (BU 3010)										
Road Miles Maintained	1,014	1,014	1,014	1,015	1,015	1,016	1,017	1,017	1,017	cal yr
Bridges Maintained	152	152	156	157	157	157	157	157	157	157
Miles of Asphalt Overlay	0	3	0	4	14	14	0	0	0	-
Miles of Chip Seal Completed	0	8	52	9	11	0	8	8	16	22
Encroachment Permits Issued	140	136	120	134	148	133	152	162	145	cal yr
Transportation Permits Issued	189	214	200	269	219	207	255	298	236	cal yr
HEALTH AND SANITATION										
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	616	297	221	262	241	240	226	168	110	78
Animal Care (BU 2860)										
Adoptions, Cat	163	184	238	390	390	364	355	312	315	264
Adoptions, Dog	632	560	518	472	477	454	401	385	345	238
Spays and Neuters	2,063	1,329	1,304	1,343	1,295	1,398	1,339	1,470	1,282	1,046
Licenses Sold	12,123	11,543	11,466	10,246	10,309	10,128	10,199	10,729	10,609	10,140
Emergency Medical Services (BU 4016)										
Service Calls	5,695	6,463	7,489	8,031	8,441	8,934	9,093	13,660	14,037	12,186
Environmental Health (BU 4011)										
Well Permits Issued	118	165	248	225	204	224	183	156	240	410
Mental Health (BU 4050)										
AVG Days, Request to Assessment [1]	21	13	10	8	9	6	6	6	4	cal yr

Notes:

1. State AVERAGE is 7 days (s*ource: CalEQRO, or BHC, FY 2019-20 Statewide External Quality Review Report prepared for CA DHCS).* AVERAGEs have been rounded to the closest whole number.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC ASSISTANCE										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse	687	812	902	912	935	929	840	817	669	cal yr
In-Home Supportive Services Case-load	1,680	1,732	1,729	1,759	1,708	1,733	1,788	1,760	1,759	cal yr
Aid to Indigents (BU 5190)										
Regular General Assistance	969	916	756	576	587	565	524	490	108	cal yr
CalWORKS (BU 5130)										
Welfare to Work Participants	1,019	1,209	1,284	1,215	1,032	887	912	942	917	cal yr
Out-of-Home Care, AVG Monthly Case-load (BU 5010)										
Foster Care Ongoing	225	249	284	272	293	278	271	388	255	cal yr
Court Dependent Children	225	249	284	272	293	278	271	374	255	cal yr
Aid to Adoptions	*nda*	340	340	340	340	340	352	392	392	cal yr
Military and Veterans Affair Caseload Items (BU 5010)										
Claims Filed	1,111	894	1,181	1,456	917	902	760	1,318	1,280	cal yr
Veterans Transported to VA Medical	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	nda	nda	nda
Social Services (BU 5010)										
CalFresh	10,627	10,470	10,537	10,443	9,981	9,681	11,162	11,564	11,683	cal yr
Medi-Cal	16,461	17,037	19,615	22,217	24,202	23,784	34,894	33,554	33,746	cal yr
EDUCATION										
Library (BU 6110)										
Customers Visiting Library [1]	337,470	431,966	484,180	455,907	458,529	460,870	444,806	451,329	294,599	27,971

Notes:

1. Customers Vising Library is extremely low for FY 2021 due to COVID. We actually provided much curbside services outside the Library, but traditionally library visitor statistics are only counted when the visitors come inside the building.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
CAPITAL ASSET STATISTICS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EDUCATION										
Branch Libraries	5	5	5	5	5	5	5	5	5	5
Bookmobiles	1	1	1	1	1	1	1	1	1	1
HEALTH/PUBLIC ASSISTANCE										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	27	30	31	29	33	45	52	52	52	56
FACILITIES, RECREATION & CULTURAL										
Buildings [1]	98	98	98	98	98	98	98	98	101	103
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	nda	nda
SHERIFF										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	45	45	44	46	49	52	54	54	54	52

Notes:

1. 2021 Additions:
   - Whitmore Lane Skilled Nursing Facility (an alternate care site for COVID-19 isolation)
   - Live Oak Apartments (Project Homekey transitional housing for homeless)

nda - No data available

Source: County Departments

MENDOCINO
1850
COUNTY

From: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 7/14/2022 4:35:24 PM
Subject: Re: Moody's Request for Information

Hi Chamise,

Thank you for your note. It would be great if you could forward the report to me as well. Just don't want to miss this in any case.

Thank you once again!

Best,
Abhinav

Get Outlook for iOS

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:33:20 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The report was just submitted at 4:13pm to MoodysPFGAudits@Moodys.com

Do you also need the report?

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Thursday, July 14, 2022 10:05 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your email. Looking forward to receiving the reports by COB Friday (07/15).

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

.....

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 13, 2022 5:40 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

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Hi Abhinav,

We just received the final review copy this afternoon and hope to have it officially issued by end of this week.

We will send to you as soon as its available.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Wednesday, July 13, 2022 4:11 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Hope this email finds you well. I am writing to follow up on the earlier communication. I was hoping to check if the financial statements (ACFR) have been issued. If yes, could you please provide them before the end of this week? If the final audited statements have not been issued yet, please provide unaudited statements. This will prevent the rating from going under review.

Let me know if you have any additional questions.

Best,

.....
Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com
.....

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 4:28 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County informa on across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond ra ng on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this ra ng, we require mely financial informa on from all of the pool par cipants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information byThursday, June 30, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

.....
Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com
.....

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Bobby Cheung" <bcheung@knninc.com>
Date: 7/14/2022 4:36:39 PM
Subject: RE: Mendocino Co. COP Check-in Call
Attachments: 2021 County of Mendocino ACFR.pdf

Hi Bobby,

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Bobby Cheung <bcheung@knninc.com>
Sent: Monday, July 11, 2022 1:46 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Cc: David Leifer <dleifer@knninc.com>; Grant Carson <gcarson@knninc.com>; Cameron Wong <cwong@knninc.com>
Subject: RE: Mendocino Co. COP Check-in Call

Hi Chamise –

Just following up on our group financing call last week…and update on the FY21 ACFR release?

Thanks,
Bobby

Bobby Cheung
Director
KNN Public Finance
A Limited Liability Company
2054 University Avenue | Suite 300 | Berkeley, CA 94704
510-208-8214 (o) |510-381-3548 (m) | www.knninc.com

From: Bobby Cheung
Sent: Thursday, June 30, 2022 8:11 AM
To: gjerde@mendocinocounty.org; williamst@mendocinocounty.org; antled@mendocinocounty.org; dunnicls@mendocinocounty.org; hallmanta@mendocinocounty.org; pierces@mendocinocounty.org; ramirezm@mendocinocounty.org; forresterj@mendocinocounty.org; cubbisoc@mendocinocounty.org; abecker@hawkins.com; DQuan@hawkins.com; CTogle@hawkins.com; KReynolds@hawkins.com; Robert.larkins@loopcapital.com; John.nguyen@loopcapital.com; Tamara.maldonado@loopcapital.com; jturnerbond@nixonpeabody.com; dsong@nixonpeabody.com; Samira.nasseri@usbank.com
Cc: David Leifer <dleifer@knninc.com>; Grant Carson <gcarson@knninc.com>; Cameron Wong (cwong@knninc.com) <cwong@knninc.com>; RMiller@hawkins.com
Subject: Mendocino Co. COP Check-in Call

Hi All,

This is a quick reminder that we have a Mendocino County COP check-in call at 9:00 am this morning.

Below are a few topics for discussion:

- Update on seismic analysis for leased facilities
- BLX engagement letter
- Requirement for Verification Agent
- Update on timing of FY21 ACFR
- Next CPI release and FOMC meeting update

Thanks,
Bobby

_____
Bobby Cheung
Director
KNN Public Finance
A Limited Liability Company
2054 University Avenue | Suite 300 | Berkeley, CA 94704
510-208-8214 (o) |510-381-3548 (m) | www.knninc.com

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COUNTY OF

MENDOCINO

STATE OF CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the
Fiscal Year Ended
June 30, 2021

Prepared and submitted by the Office of the
Auditor-Controller/Treasurer-Tax Collector,
Chamise Cubbison

– COVER PHOTO –
Wages Creek Beach, Westport, CA; photo by Megan Miltimore

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared and submitted by
The Office of the Auditor-Controller/Treasurer-Tax Collector
Chamise Cubbison

MENDOCINO
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MENDOCINO
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INTRODUCTORY SECTION

– INTRODUCTORY SECTION PHOTO –
Montgomery Woods, Ukiah, CA; photo by Megan Miltimore

MENDOCINO COUNTY

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

(707)234-6860··FAX (707)467-2503·501 LOW GAP ROAD, ROOM 1080, UKIAH, CALIFORNIA 95482

CHAMISE CUBBISON

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

July 14, 2022

To the Citizens of the County of Mendocino and the Board of Supervisors:

I hereby submit this year's Annual Comprehensive Financial Report ("ACFR") of the County of Mendocino for the fiscal year ended June 30, 2021. This ACFR is intended to present information above and beyond what is required by Generally Accepted Accounting Principles ("GAAP") or state law.

It is my hope that this report will give the residents of Mendocino County, the Board of Supervisors, and other users a broader view and understanding of County financial operations and to further assist the users of our financial statements in assessing the financial condition of the County.

This ACFR is in compliance with Sections 25250 and 25253 of the Government Code of the State of California. These statues require all general-purpose local governments to issue an annual report on the financial position and activities of that government. The report must be presented in conformance with GAAP and must be audited by an independent firm of certified public accountants ("CPA") in conformance with Generally Accepted Government Auditing Standards ("GAGAS"). The financial statements contained in this ACFR meet these requirements.

This report contains management representations and is prepared by the Office of the Auditor-Controller/Treasurer-Tax Collector. Mendocino County management is responsible for the accuracy of the presented data, and the completeness and fairness of the presentation. To provide reasonable assurance of accuracy of the information presented in these financial statements and to protect County assets, management has instituted an internal control framework. This framework consists of policies, procedures and computer-based accounting and management information systems sufficient to ensure reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements and accompanying Notes to the Financial Statements contained in this ACFR have been audited by CliftonLarsonAllen, LLC ("CLA"), a Limited Lability

Partnership of Certified Public Accountants. Their audit was performed in accordance with GAGAS. The auditors have concluded, based on their audit, that the financial statements combined with the accompanying Notes present fairly, in all material respects, the financial condition of Mendocino County as of June 30, 2021. A copy of their report is included in the Financial Section of this ACFR.

In planning and performing the audit of the financial statements, CLA considered the internal control structure of the County in order to determine appropriate audit procedures. During this review, one material weakness was noted. This information was presented in a letter to the Board of Supervisors and management.

Management is required by GAAP (GASB 34) to provide a Management Discussion and Analysis ("MD&A") in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County. The MD&A is located in the Financial Section of this ACFR.

OVERVIEW OF MENDOCINO COUNTY

County History and Geography

Mendocino County is one of the original counties of California. It was created in 1850 at the time of statehood, and derives its name from Cape Mendocino. Mendocino County lies along the northern coast of California, and is noted for its distinctive Pacific Ocean coastline, which stretches from the "Lost Coast" on its northern border to the small seaside town of Gualala on its southern border.

With an area of 3,878 square miles, Mendocino County encompasses 3,506 square miles of land and 372 square miles of water. The County is located about 100 miles north of San Francisco. Mendocino County borders six other California counties: Humboldt and Trinity to the north, Tehama, Glenn and Lake to the East, and Sonoma to the south.



Jug Handle Beach, Fort Bragg, CA; photo by Megan Miltimore



Majestic Redwoods

Mendocino County is also known for its majestic redwood forests, which provide many areas for residents and visitors alike to enjoy the quietude and serenity of their primordial presence.

The timber/forest products and wine grapes and wine production industries support a large part of the County's local agricultural economy, while its unspoiled beauty and rural setting provides niche markets for microbreweries, artisans and a developing cannabis production industry.



Timber production



Wine production



Bartlett pears



Cannabis

County Structure

The County is a general law county. The County government is comprised of ten elected officials including a five-member Board of Supervisors, the Assessor-Clerk-Recorder, the Auditor-Controller/Treasurer-Tax Collector, the District Attorney, the Sheriff, and the Treasurer-Tax Collector; all elected to four-year terms. A County Chief Executive Officer ("CEO") is appointed by the Board of Supervisors.

The accounts of the County are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which the spending activities are controlled.

County Services

The County government provides a full range of public services including public safety, roads and facilities, social services, health services, administrative services, sanitation services, library services and leisure services. Typically, the department heads who oversee the County's various public service operations, other than elected department heads, report to the Chief Executive Officer (CEO).

The Ukiah Administration Center at 501 Low Gap Road houses most of the County's business services, including the offices of the Assessor-Clerk Recorder, Elections, Environmental Health, Planning & Building and the Treasurer-Tax Collector. The Administration Center in Ukiah also houses the offices of the Mendocino County Board of Supervisors, the Chief Executive Officer, the Auditor-Controller/Treasurer-Tax Collector, County Counsel, the Prevention, Recovery, Resiliency and Mitigation Division, and the County's various internal support departments, including Human Resources and Information Services.

The Mendocino County Sheriff-Coroner administration offices, Jail and Juvenile Hall, and Probation are also located in Ukiah. Sheriff Substation facilities are located in Fort Bragg and Willits, and limited facility outpost substations are in Mendocino and Redwood Valley.



Mendocino County Administration Center, Ukiah, CA



Mendocino County Sheriff's Office, Ukiah, CA

Other Ukiah-based facilities include the offices of the District Attorney, Agriculture, Alternate Defender, Animal Care, Child Support, Cultural Services, Public Defender, Transportation and county support facilities of Central Services and Facilities and Fleet.

Mendocino County's Health and Human Services Departments, including behavioral health, public health, and veterans' and social services, have facilities in Ukiah, Fort Bragg and Willits.



Mendocino County Health & Human Services/Public Health, Ukiah, CA

County Cultural Services & Recreation

Mendocino County's Cultural Services Agency strives to enrich the quality of life for all residents of Mendocino County through maintaining and improving the services of the Mendocino County Library Branches and the County Museum.

County Libraries: Mendocino County maintains community libraries in Ukiah, Fort Bragg, Willits, Point Arena (Coast Community Branch Library), and Covelo (Round Valley Branch Library), and a Book Mobile that brings mobile library services to many smaller communities throughout the County. In 2022, the new Laytonville Branch Library is slated to open it's doors, offering a small but comprehensive book collection, public internet and computer use, Wi-Fi, and printing and copy services. For more information regarding the Mendocino County Libraries, visit their website at: https://www.mendolibrary.org/home

County Museum: The County maintains the Mendocino County Museum in Willits, which houses a thoughtfully curated collection of the artifacts of Mendocino County's cultural heritage. Permanent exhibits feature Pomo and Yuki basketry, antique stagecoaches, recovered wreckage from a famous shipwreck off the Mendocino Coast, and old signs and storefronts from historic Willits businesses. Temporary installations have covered the Civil

War's impact on Mendocino County residents, vintage toys, local Veterans' stories, and famous personages of the county's past.



Mendocino County Museum, Willits, CA

During the pandemic, the museum offered virtual community exihibits. The museum's website currently offers a collection of digital exhibits and videos that showcase unique collections, the County's history, culture, natural resources, as well as activities for kids and links to other online resources. Video and digital programs can be found under the "+ Engage" tab of the museum's website:

https://www.mendocinocounty.org/government/cultural-services-agency/museum

County Parks: Mendocino County Facilities Department operates and maintains County-owned and/or maintained parks and recreation areas throughout the County, including developed community parks in Gualala, Boonville, Philo, Ukiah, Talmage and Redwood Valley.


Bower Park


Faulkner Park

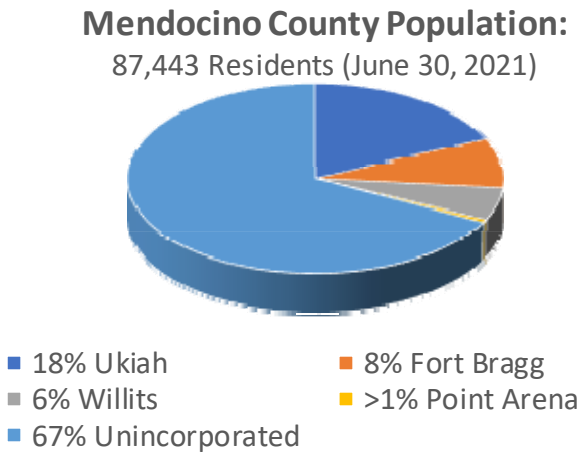

Mill Creek Park


RV Lions Club Park

County Population

The County has historically maintained a relatively stable population base. The current estimate for 2021 is 87,443 people. [1] This is a 1% decrease from the prior year.About 67% of the County's population is located around the County's four incorporated cities. The City of Ukiah serves as the County seat, and is the County's largest incorporated city, with an estimated 2021 population of 15,957.


Ukiah, CA



1.Source: https://worldpopulationreview.com/us-counties/ca/mendocino-county-population

The three other incorporated cities of Mendocino County are Fort Bragg, Willits and Point Arena, with estimated 2021 populations of 7,299, 4,815 and 431, respectively.



Fort Bragg, CA



Willits, CA



Point Arena, CA

LOCAL ECONOMY

Agribusiness

Per the Mendocino County 2020 Crop Report, the total gross agricultural value for all commodities produced in 2020 was $223 million, an 18% decrease from the prior year's total value of $272 million. The COVID-19 pandemic had a negative effect on many sectors of the Agribusiness economy, primarily disrupting labor supply.

Timber

Timber was the leading agricultural commodity in 2020, with a gross production value of $94 million. Timber is down 14% or $16 million in 2020 over the prior year's total production value of $110 million. The timber production industry accounted for 42% of all agribusiness in Mendocino County in 2020. This is down 1% over the prior year's ratio of timber to total agribusiness. Mendocino County ranked 4th in the state timber volumes and produced roughly 8% of California's timber harvest in 2020. [1] The timber industry provides 360 jobs [2] within the County and plays an important role in our County's economic health. Sustainable timber harvesting reduces wildfire risk and improves forest health and wildlife habitat.



Agricultural Production

Agricultural production, excluding timber, totaled $129 million in 2020, down 20%, or $33 million, over the prior year. [1] For the first time in many years, wine grapes were only the second leading commodity, following timber. With a total 2020 value of $82 million, wine grape production decreased 28% from the prior year production value of $114 million. Wine grapes accounted for 37% of all agribusiness in Mendocino County in 2020, a decrease of 5% over the prior year's ratio of wine grapes to total agribusiness. The agriculture industry currently provides 1,780 jobs within the County. [1] Crop values fluctuate yearly based on economic, production, market, and weather conditions.

Sources:

1. Mendocino County Crop Report 2020

2. State of California Employment Development Department (QCEW industry estimates)

Cannabis

On Tuesday, April 4, 2017, the Board of Supervisor adopted the Chapter 10A.17 and Chapter 20.242 regulating cannabis cultivation in Mendocino County.

Mendocino County's first Cannabis Report details licensed cannabis cultivation for 2020:

Total licenses (provisional & approved): 1,310
Total cultivated area (indoor/mixed light/outdoor): 11.2 million square feet (291 acres)
Total production: 192,541 pounds, with a gross value of $131 million.





Labor Force and Unemployment

The labor force for Mendocino County in June of 2021 was 37,150 people, of which 2,460 were unemployed. Total labor force decreased by 160 people from the prior year, while the number of unemployed persons decreased by 2,080. The unemployment rate in Mendocino County was 6.6% as of June 2021, 5.8% lower than the June 2020 rate of 12.4%. The County's unemployment rate as of June 2021 was 1.6% lower than the June 2021 state unemployment rate of 8.2%. [1]



Real Estate/Housing

The median home price in Mendocino County increased by 27.3% in fiscal year 2021. The 12-month fiscal year average rose from $414,800 to $528,200. [2]

The median home price has generally increased each year since April 2012, when it was $305,000. The average median home price for FY 2022 is forecasted to remain relatively level.

BUDGETARY PROCESS

The County is required by State law to adopt a balanced budget by July 1 of each fiscal year. Budgets are adopted for the general fund, special revenue funds, debt service funds, internal service funds and capital project funds. The legal level of budgetary control is at the Department Budget Unit level. Budget data is prepared on the modified accrual basis consistent with comparable actual amounts.

Source:
1. State of California Employment Development Department, LMI by Counties, Historical Civilian Labor Force
2. California Association of Realtors, data values by month, July 2019-June 2021

Encumbrance accounting is utilized during the year for budget control purposes. Unspent encumbered budget appropriations lapse at the end of the fiscal year. Board of Supervisors policy requires re-appropriation of carryover capital improvement projects on an annual basis after review of each project status.

The board approves supplemental appropriations, which are normally financed by unanticipated revenues during the year.

Factors Affecting Financial Condition

Pandemic relief initiatives dominated the financial and operational systems of our County throughout the fiscal year of 2020-21. The County is fully utilizing federal and state COVID-19 relief funding to help address the COVID-19 response, to meet the needs of its residents and better prepare our County to respond to disasters.

COMPONENT UNITS

This report includes all the funds of the County of Mendocino and the entities described in Note 1 of the Notes to Basic Financial Statements. Although all these entities are legally separate from the County, the County Board of Supervisors serve as the governing board of each entity, and the entities meet the test required by GAAP to be presented as blended component units in the County's Financial Statements.

Also of note, individual financial statements are available for some of the component units referenced in Note 1 and are available upon request by contacting the Office of the Mendocino County Auditor-Controller/Treasurer-Tax Collector.

LONG-TERM FINANCIAL PLANNING

The County funds a wide variety of services for the citizens of Mendocino County including public health, public safety, planning & building services, health and social services, and road maintenance, among others.

The Adopted Budget for Fiscal Year 2021-22 is a work plan for the County, but is contingent on many variables, including federal and state funding. It represents the Board of Supervisors and County Managements' goals and priorities for the future of the County, including fiscal stability, financial sustainability, organizational development, and maintaining or improving current levels of service to the public. The County continues to invest in disaster response and recovery, pay down debt and maintain strong reserves, while also investing in the organization's future through employee compensation, the Leadership Initiative program, and recruitment and retention practices.

Other priorities the 2021-22 fiscal year budget focuses on include:

- economic recovery and resiliency,
- continued support for COVID-19 response,
- delivering services more efficiently and cost effectively,
- improving public access to County services via the internet,

- investing $4.7 million towards deferred maintenance and infrastructure projects, and
- other Board-allocated funding priorities, including fire and emergency medical services, disaster recovery, Planning and Building services, and support for the County's community partners.

Appropriations

The final fiscal year 2021-22 budget for all governmental funds authorized a $348,817,299 spending level, which is an increase of $13.5 million (4%) over the $335,324,649 budgeted in fiscal year 2020-21 for all governmental funds.

The General Fund budget authorized spending of $233,628,540, an increase of $10.4 million (4%) over the prior year budget of $223,628,540. [1]

Capital Improvements

Each year a 5-year Capital Improvement Program (CIP) plan is compiled for short-range and long-range capital improvements, projects, acquisitions, and development (including plans for improving or rehabilitating County-owned infrastructure). The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs.

The five-year CIP does not appropriate funds; rather it serves as a budgeting tool, identifying those Capital Project appropriations to be made through the adoption of the County's annual budget.

Total 2021-22 appropriations for Capital Improvements and Projects is $12,671,825, [1] up $3.2 million, or 33%, from the prior year CIP plan total of $9,498,116. This includes $3 million reserved exclusively for projects developed through the Mendocino County Mental Health Treatment Act.

Many of these capital improvements and projects are multi-years projects.

RELEVANT FINANCIAL POLICIES

Balanced Budget: The County Executive Officer (CEO) and Auditor-Controller (AC) shall present a balanced budget for all County operating funds on an annual basis.

Ongoing Budget Administration: The CEO prepares and presents quarterly budget updates to the Board of Supervisors. These reports consist of year-to-date information including County department revenue, the County's discretionary revenues, expenditures levels, new and upcoming issues that may affect the budget, and other related information.

Source:
1. Mendocino County Adopted Budget, FY 2021-22

Budget Priorities: The budget is developed within the framework of the Board of Supervisors' current goals of Fiscal Stability, Financial Sustainability, Organizational Development, Investing in Roads and Economic/Business Development, Support for Emergency Services, Disaster Recovery, Local Homeless Issues, and Supporting Community Partners.

Use of "One-Time" Funds: One-time revenue shall be dedicated for use for one-time expenditures. Annual budgets will not be increased to the point that ongoing operating costs become overly reliant upon cyclical or unreliable one-time revenues.

Formal Debt Policy: A comprehensive Debt Management Policy was developed by the CEO and AC and was approved by the Debt Advisory Committee. It was adopted by the Board of Supervisors on April 24, 2012.

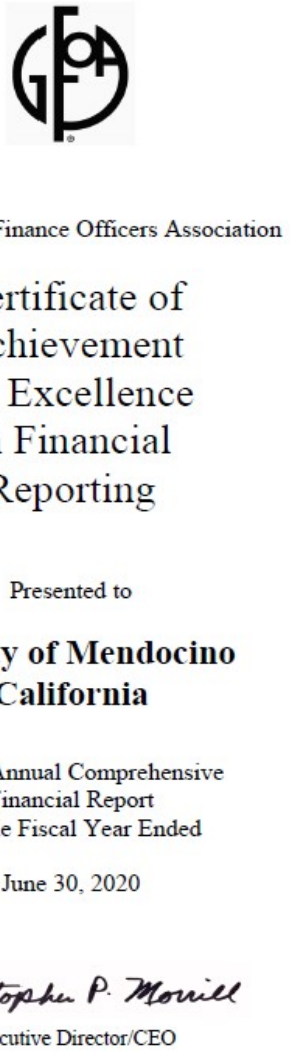
Cost Recovery through Fees: Whenever possible, utilize fees to recover costs where reasonable and after all cost savings options have been explored.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement (COA) for Excellence in Financial Reporting to the County of Mendocino for its Annual Comprehensive Financial Report (ACFR) for fiscal years ending June 30, 2018-2020.

To be awarded a COA, the ACFR must be judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. It is the highest form of recognition in governmental accounting. The County of Mendocino is proud to have submitted an ACFR and received a COA for these fiscal years, and would like to acknowledge and thank all related parties for their contributions to this significant accomplishment.

While the COA is valid only for the report to which it is awarded, we are hopeful that the County of Mendocino's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, continues to meet these high standards.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Mendocino California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, would not have been possible without the efficient and dedicated services of the accounting and auditing staff of the Auditor-Controller/Treasurer-Tax Collector's Office. We would like to acknowledge our independent auditors, Clifton Larson Allen, LLP, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its interest, support and action to ensure the continued fiscal health and integrity of the County.

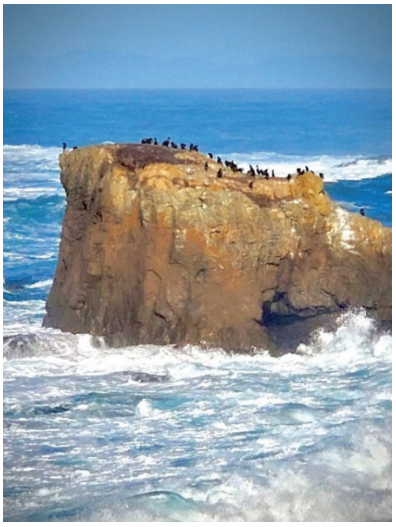
Respectfully Submitted:

Chamise Cubbison

Auditor-Controller/Treasurer-Tax Collector







Point Cabrillo Light Station, Mendocino, CA; Penguin Rock; photos by Lloyd Weer

MENDOCINO
1850
COUNTY

COUNTY OF MENDOCINO
BOARD OF SUPERVISORS AND SUPERVISORIAL DISTRICTS
JUNE 30, 2021





Glenn McGourty
District 1



Mo Mulheren
District 2



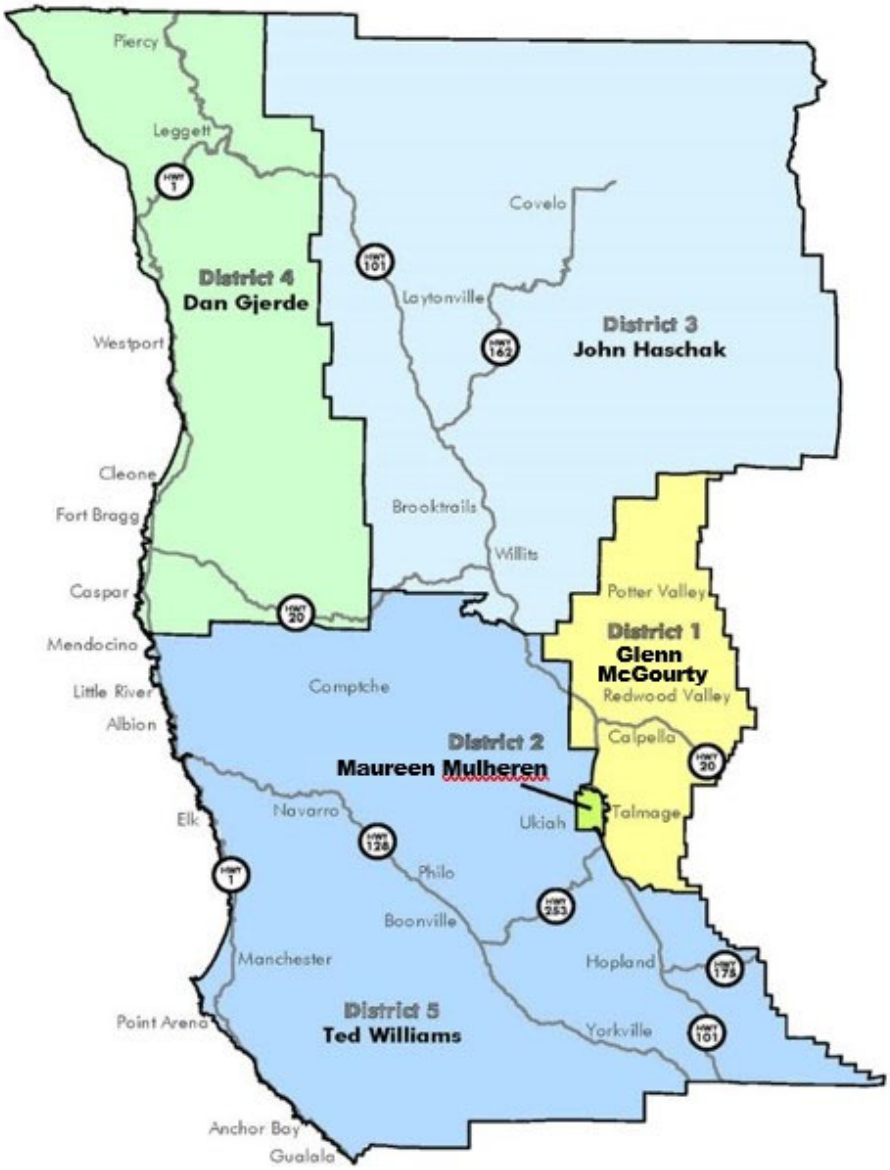
John Haschak
District 3



Dan Gjerde
District 4



Ted Williams
District 5



COUNTY OF MENDOCINO
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2021

Elected Officials:

Legislative Branch/Board of Supervisors:

District 1 ..... Glenn McGourty
District 2 ..... Maureen Mulheren
District 3 ..... John Haschak
District 4 ..... Dan Gjerde, Chair
District 5 ..... Ted Williams, Vice Chair

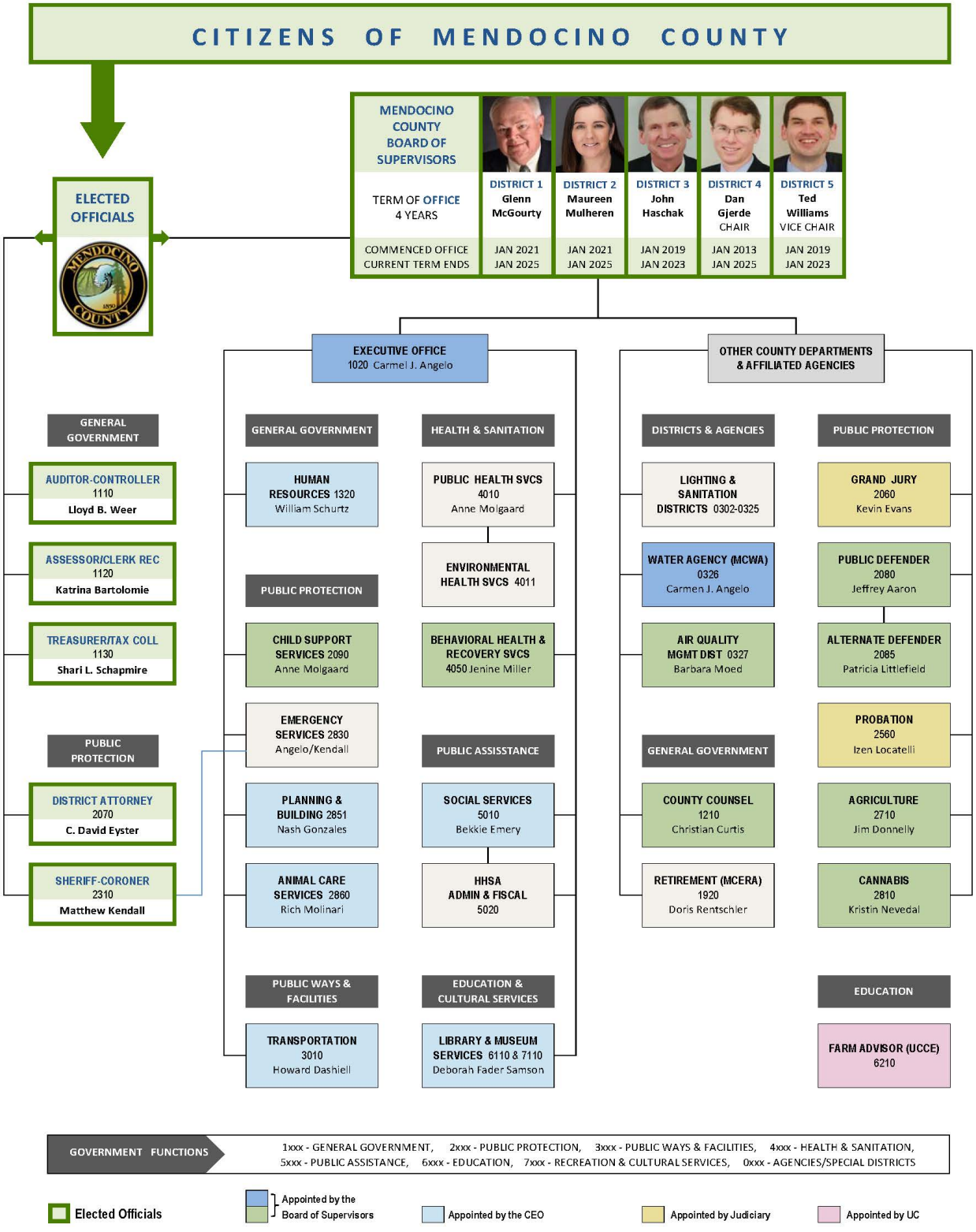
Executive Branch:

Assessor-County Clerk-Recorder ..... Katrina Bartolomie
Auditor-Controller ..... Lloyd B. Weer
District Attorney ..... C. David Eyster
Sheriff-Coroner ..... Matthew Kendall
Treasurer-Tax Collector ..... Shari L. Schapmire

Appointed Department Heads:

Agricultural Commissioner/Sealer ..... Jim Donnelly
Alternate Defender ..... Patricia Littlefield
Animal Care Services Director ..... Rich Molinari
Chief Executive Officer ..... Carmel J. Angelo
Chief Probation Officer ..... Izen Locatelli
Child Support Services Director ..... Anne Molgaard
County Counsel ..... Christian Curtis
Cultural Services Director ..... Deborah Fader Samson
Health and Human Services Agency Director ..... Bekkie Emery
Human Resources Director ..... William Schurtz
Planning and Building Director ..... Nash Gonzalez
Public Defender ..... Jeffrey Aaron
Retirement Association Executive Director ..... Doris Rentschler
Transportation Director ..... Howard Dashiell

COUNTY OF MENDOCINO
ORGANIZATION CHART
JUNE 30, 2021



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FINANCIAL SECTION

– FINANCIAL SECTION PHOTO –
Low Gap Park, Ukiah, CA; photo by Megan Miltimore

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Supervisors and Grand Jury
County of Mendocino
Ukiah, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Mendocino, California, (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit Mendocino County Employees' Retirement Association (MCERA) which represents 100 percent of the assets, liabilities, and revenues of the pension trust fund a fiduciary fund type component unit. These financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion as it relates to the amounts included for the MCERA is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior period adjustments

As disclosed in Note 8 to the financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net pension liability and the schedule of the County's contributions, and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

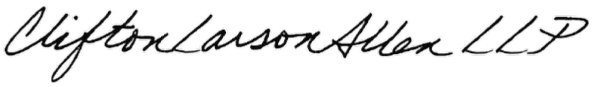
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund statements and schedules, other budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedules and other budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



CliftonLarsonAllen LLP

Roseville, California
July 14, 2022

MENDOCINO
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MANAGEMENT'S DISCUSSION AND ANALYSIS

The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Annual Comprehensive Financial Report.

MENDOCINO
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This section of the County of Mendocino (the County) Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements following this section.

Financial Highlights

- The County's government-wide assets and deferred outflows of resources from governmental activities exceeded its liabilities plus deferred inflows of resources at the close of the 2021 fiscal year by $43,604,461 net position. Of this amount, there was a deficit of $(191,378,417) in unrestricted net position. Beginning in FY 2015, GASB 68 required all counties to recognize their pension liability as a deficit in unrestricted net position on their financial statements. This caused most counties to show a deficit in their overall net position. In fiscal year 2021, Mendocino County has improved their positive net position from $19,647,104 at the beginning of the year to $43,604,461 at fiscal year-end. Restricted net position of $105,021,444 represents resources that are subject to external restrictions on their use. The remaining $129,961,434 represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets.
- The County's total net position increased by $20,535,443 during the current fiscal year. The increase in net position represents the degree to which revenues exceeded expenses, an indication that the financial position of the County continues to improve. The primary reason for the increase was due to COVID aid operating grants and contributions, as well as an increase in sales tax revenue.
- As of June 30, 2021, the County's governmental funds reported a combined ending fund balance of $137,252,928. This was an increase of $5,714,486 in comparison with the prior year. Total Revenues increased overall by $7.6 million. A decrease of $22.4 million in Other Revenues, due to the PG&E settlement recorded in the prior year, was tempered by a $14.2 million increase in revenue from Taxes and a $16.2 million increase in Intergovernmental Revenue. Expenditures increased by $41.1 million. Notable increases include $12.9 million in Health and Sanitation, due to state and federal funding and grant funding for the pandemic response and homeless housing programs, and $15.2 million in Capital Outlay, due to:
  - the federally funded purchase of an alternate site for COVID isolation,
  - the Mental Health Treatment Act, which funded the remodel of the Behavioral Health Training Center and the construction of the new Crisis Residential Treatment Facility, and
  - the Project Homekey effort, which funded the purchase of a local motel suitable for homeless housing.
- At the end of the fiscal year, the general fund reported an ending fund balance of $80,986,874, of which $263,472 was nonspendable, $8,714,288 was restricted, $50,403,951 was assigned, and $21,605,163 was unassigned.
- Total long-term debt (bonds payable, certificates of participation) decreased by 11% ($6,670,000), to $54,365,000, during the 2020-21 fiscal year.

Overview of the Financial Statements. Management's discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the Financial Statements. In addition to the financial statements, Required Supplementary Information is included to provide additional detail to support the financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. It is comprised of a statement of net position and statement of activities.

The statement of net position presents information on all County assets, liabilities and deferred outflows/inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees, fines and charges for service. The governmental activities of the County include: General Government, Public Protection, Public Ways and Facilities (Transportation), Health and Sanitation, Public Assistance, Education, Recreation and Culture, and Debt Service and Contingencies. Internal Service Funds that provide insurance coverage, computer software acquisition and vehicle replacement are also included in governmental activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also several legally separate lighting districts, a sanitation district, a water agency, an air quality management district, and a public facilities corporation for which the County is financially accountable. Financial information for these component units, with the exception of the Water Agency and Air Quality Management District, is reported separately from the financial information presented for the primary government itself. The Water Agency and Air Quality Management District, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and charges in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 22 individual governmental funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for all major funds: the General Fund, the Debt Service Fund, the Pension Obligation Bonds Fund, the Mental Health Services Fund, the Road Fund, the Mental Health Treatment Fund, and the Disaster Recovery Fund. The Disaster Recovery Fund has newly become a major fund. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The disaster recovery fund was previously grouped with these nonmajor governmental funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The County maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, its management information systems and for self-insurance coverage. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found in the other supplementary information section of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by $43,604,461 at the close of the 2020-21 fiscal year.

	Governmental Activities*	
	2021	2020
ASSETS		
Current and Other Assets	$ 188,445,916	$ 177,584,027
Capital Assets	145,646,678	125,128,190
Total Assets	334,092,594	302,712,217
DEFERRED OUTFLOWS OF RESOURCES	54,038,138	28,607,466
LIABILITIES		
Other Liabilities	23,502,462	24,648,301
Long-Term Liabilities	320,982,192	286,852,798
Total Liabilities	344,484,654	311,501,099
DEFERRED INFLOWS OF RESOURCES	41,617	171,480
NET POSITION		
Net Investment in Capital Assets	129,961,434	109,188,190
Restricted	105,021,444	70,808,211
Unrestricted	(191,378,417)	(160,349,297)
Total Net Position	$ 43,604,461	$ 19,647,104

The largest portion of the County's net position, $129,961,434, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

* Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

Another portion of the County's net position, $105,021,444, is restricted net position and represents resources that are subject to constraints by either external creditors or government entities or by law through constitutional provisions or enabling legislation.

The County's unrestricted net position balance of $(191,378,417) is in large part due to reporting the County's pension liability on the statements to comply with the GASB 68 accounting standard.

Governmental Activities. Governmental activities increased the County's net position by $20,535,443 during the current fiscal year.

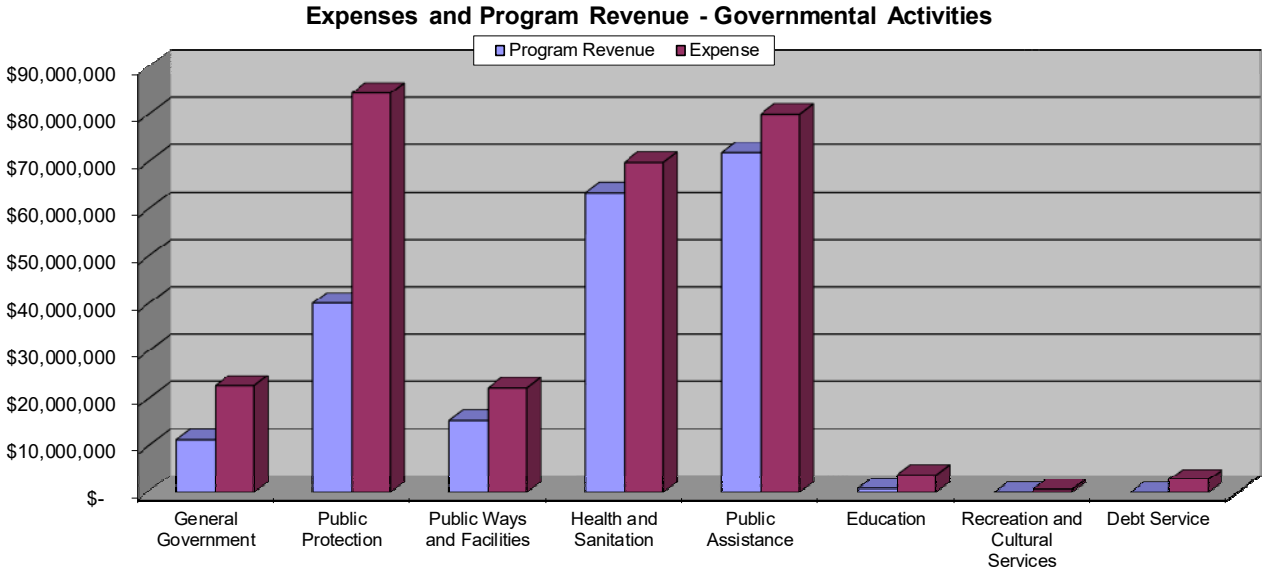
	2021	2020
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	$ 22,902,671	$ 21,148,724
Operating Grants and Contributions	177,463,841	145,480,971
Capital Grants and Contributions	3,404,935	3,191,180
General Revenues		
Property Taxes	55,714,699	51,499,607
Sales and Use Taxes	31,030,406	24,742,692
Other Taxes	14,687,868	11,012,247
Unrestricted Interest and Investment Earnings	549,173	3,141,102
Settlement Revenue	-	22,651,738
Miscellaneous	2,374,770	2,135,981
Total Revenues	308,128,363	285,004,242
EXPENSES		
General Government	22,850,862	22,640,298
Public Protection	84,641,799	77,463,973
Public Ways and Facilities	22,349,873	22,549,963
Health and Sanitation	70,043,960	57,374,389
Public Assistance	80,229,727	77,122,026
Education	3,936,977	4,174,423
Recreation and Cultural Services	616,849	553,752
Interest on Long-Term Debt	2,922,873	3,404,913
Total Expenses	287,592,920	265,283,737
CHANGE IN NET POSITION	20,535,443	19,720,505
Net Position - Beginning of Year, as Previously Stated	19,647,104	2,799,772
Prior Period Adjustment	3,421,914	(2,873,173)
Net Position - Beginning of Year, Restated	23,069,018	(73,401)
NET POSITION - END OF YEAR	$ 43,604,461	$ 19,647,104

Revenues increased by $23.1 million, or 8%, from the prior year. Revenue from operating grants and contributions increased by $32.0 million, or 22%, in FY 2021, due to COVID aid and additional governmental assistance for homeless services and other programs. This increase was significantly offset by a 100% decrease in settlement revenue, due to the prior year PG&E settlement of $22.7 million. Tax revenues increased overall by $14.2 million: notably, sales and use tax revenue by $6.3 million, or 25%; property tax revenue by $4.2 million, or 8%; and revenue from other taxes by $3.7 million, or 33%, which includes a $2.4 million, 51% uptick in room transient occupancy taxes (TOT), plus $.7 million of new campground/recreation facilities TOT (to be used for fire protection). Unrestricted interest and investment earnings saw a decrease of $2.6 million from the prior year, while program revenues from fees, fines and charges for services increased $1.8 million from prior year.

Expenses increased overall by $22.3 million, or 8%, from prior year. The largest increase was in health and sanitation, by $12.7 million, or 22%. Other increases include $7.2 million, or 9%, in public protection, and $3.1 million, or 4%, in public assistance. Increases were largely related to the continued pandemic response.

Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

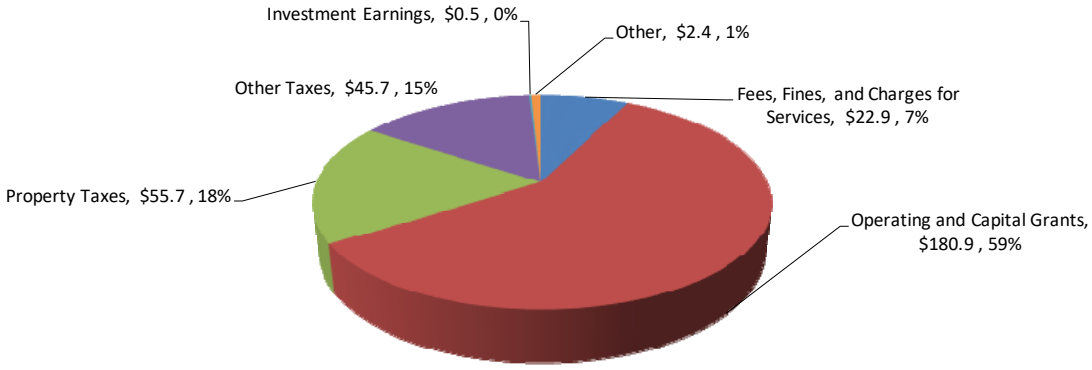
As shown in the following chart, program revenues are less than the expenses in all functional areas.



Expenses and Program Revenue

Governmental Functions	Program Revenue	Expense
General Government	$ 11,418,626	$ 22,850,862
Public Protection	40,267,034	84,641,799
Public Ways and Facilities	15,541,387	22,349,873
Health and Sanitation	63,635,073	70,043,960
Public Assistance	72,026,863	80,229,727
Education	872,820	3,936,977
Recreation and Cultural Services	9,644	616,849
Debt Service	-	2,922,873
Total Governmental Functions	203,771,447	$ 287,592,920
General Revenues (taxes, interest and investment earnings and miscellaneous)	104,356,916	
Total Revenues	$ 308,128,363	

Revenues by Source (in millions) - Governmental Activities



Of the $308 million of revenue received by the County, the largest portion comes from federal and state sources (approximately 59%). The second largest source comes from property taxes (18%). However, it should be noted that of every $1.00 collected in property tax approximately 63% benefits schools, with 30% going toward the funding of County services and programs. Cities receive 2% and Special Districts receive 5%. Only 30% of total revenue received is discretionary (not dedicated to particular services/programs).

Business-type activities. None of the County's funds are classified as business-type activities.

Financial Analysis of the Government's Funds. As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $137,252,928, an increase of $9,136,400 from the prior year. This includes a negative $(11.4) million fund balance in the disaster recovery fund, which was not a major fund in the prior year and has a negative fund balance at year end due to unpaid COVID-19 FEMA (Federal Emergency Management Agency) eligible costs which have been submitted to FEMA and are awaiting final approval and payment. The components of total fund balance are as follows:

- Nonspendable fund balance, $1,471,601, consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventories.
- Restricted fund balance, $79,018,247, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of funds (i.e., mental health treatment $26,951,085, IG/partnerships for health $9,632,919, mental health services $5,149,165, grant programs $4,103,797, roads $3,368,271, library $2,142,722, special districts $1,621,113, and whole person care $868,669), (2) pension obligation bonds $8,067,650 and debt service $2,004,034, and (3) amounts restricted for various other purpose restrictions $15,108,822.
- Assigned fund balance, $51,525,422, represents amounts that are intended for a specific purpose and are established by the Board of Supervisors, or an official body delegated by the

Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.

- Unassigned fund balance, $5,237,658, represents the General Fund's resources that are not classified in the three previous components and are considered available for spending at the government's discretion.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the General Fund's total fund balance was $80,986,874, and represents an increase of $10,637,501 during the 2020-21 fiscal year. The nonspendable portion of the total fund balance for the General Fund was $263,472, while the spendable portion was $80,723,402. As a measure of the General Fund's liquidity, it may be useful to compare both the total fund balance and the spendable fund balance to the total fund expenditures of $180,460,379. Spendable fund balance represents 44.7% of total fund expenditures, while total fund balance represents 44.9% of the same amount.

The debt service fund had a total fund balance of $2,004,034, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $4,970. Interest expenditures for the debt service fund decreased during the current period by $(41,650) to $635,498.

The pension obligation fund had a total fund balance of $8,067,650, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was $423,576. Interest expenditures for the pension obligation fund decreased during the current period by $(292,422) to $2,408,750.

The mental health services fund had a total fund balance of $5,149,165. The net increase in fund balance during the current year was $2,848,903, or 124%. This increase was due to CARES realignment backfill.

The road fund had a total fund balance of $4,009,429. The net decrease for the year was $(704,189), or (15)%. The decrease is due to completing multi-year road and bridge projects during FY 2020-21.

The mental health treatment fund had a total fund balance of $26,951,085, with a net increase of $8,432,301, or 46%, during the year. This increase is due to the continued receipt of sales tax proceeds in excess of expenditures.

The disaster recovery fund had a total fund balance deficit of $(11,386,009), with a net decrease of $(9,850,043), or (641)%, during the year. This decrease is due to unpaid COVID-19 FEMA (Federal Emergency Management Agency) eligible costs which have been submitted to FEMA and are awaiting final approval and payment.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the internal service funds at the end of the year was $2,694,365, a decrease of $(4,318,964), or (62)%, from prior year, due to higher than expected self-insurance claims.

General Fund Budgetary Highlights. Differences between the original budget and final amended budget are summarized below:

- Increase Non-Departmental Revenue (BU 1000) budgeted revenues $2,000,000 as follows:
  - $1,000,000 for unanticipated increase in current secured property tax revenue.
  - $1,000,000 for unanticipated increase in cannabis business tax revenue.

- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations $6,675,000 as follows:
  - Capital improvements - $2,550,000 for the COVID Alternate Care Site roof and related improvements; $250,000 for Jail Expansion Project heat pump HVAC system; and $1,950,000 for various other capital projects, including Phase 3 of the administration center roof and HVAC project.
  - Organizational development - $1,000,000 for Justware case management software replacement; and $250,000 for Office 365 upgrade for Cloud Integration.
  - Financial stability, sustainability, and recovery and resiliency - $325,000 for recovery related to the 2020 fires; $200,000 for HGMP Fire Mitigation Grant; $100,000 matching funds for the Cannabis grant; and $50,000 for the Potter Valley Project.
- Increase Miscellaneous Budget (BU 1940) budgeted appropriations $3,461,432 as follows:
  - $1,800,000 for COLA salary and benefits increases.
  - $500,000 for salary compaction and alignment correction.
  - $500,000 for salary bargaining unit side letter (FTO).
  - $661,432 for correction to 2011 Realignment revenue to Community Corrections.
- Increase budgeted appropriations to various County departments to fund unanticipated COVID response, supplies and telework equipment funded by various CARES (Coronavirus Aid, Relief and Economic Security), FEMA and ELC (Epidemiology and Laboratory Capacity) program grants.

Differences between the final amended budget and year-end actuals are summarized below:

- Increase Non-Departmental Revenue (BU 1000) actual revenues by $22,652,909 for a Prior Period Revenue from the PG&E Fire settlement.
- Increase Non-Departmental Revenue (BU 1000) actual revenues by $7,172,512 (net) for unanticipated increases (and decreases) in various tax revenue.

Capital Asset and Debt Administration.

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2021, amounts to $145,646,678 (net of accumulated depreciation).

This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was $20,518,488 (16%). This overall increase was due to the completion of two bridge projects and facilities improvements. Additional details of capital assets are in Note 5.

	2021	2020
CAPITAL ASSETS		
Land	$ 2,928,621	$ 2,928,621
Structures and Improvements	41,861,858	38,021,098
Improvements Other than Buildings	994,896	1,232,366
Equipment	9,782,971	8,054,282
Infrastructure	59,857,159	56,365,036
Construction in Progress	30,221,173	18,526,787
Total Capital Assets	$ 145,646,678	$ 125,128,190

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of $54,365,000.

	2021	2020
OUTSTANDING DEBT		
General Obligation Bonds	$ 39,655,000	$ 45,095,000
Certificates of Participation	14,710,000	15,940,000
Total	$ 54,365,000	$ 61,035,000

The County's total long-term debt decreased by $6,670,000 (11%) during the current fiscal year. The key factor in this decrease was an increase in principal payments on both the pension obligation bonds and the certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its total assessed valuation of property within the County. The current assessed valuation is $12,636,231,964 and the current debt limitation for the County is $157,952,900.

Additional information on the County's long-term debt can be found in Note 6 of this report.

Economic Analysis and Next Year's Budget. The County is committed to providing services with integrity, collaboration, professionalism, accountability and responsiveness, and these values are reflected in the Fiscal Year 2021-22 budget, which represents conservative growth compared to Fiscal Year 2020-21 budget. The County's conservative approach to budgeting has ensured its ability to sustain fiscal health in recent years and will be central to the County's ability to respond to the ongoing COVID-19 pandemic and other unplanned events, economic challenges and potential changes in State and Federal policy.

All of the factors listed below were considered in preparing the County's budget for the 2021-22 fiscal year.

- The ongoing COVID-19 pandemic and response.
- Salaries and Benefits. In FY 2019-20 the County entered into 3-year labor agreements with all eight bargaining units. Salary and benefit increases were made, based on a KOFF Compensation Study, bringing salaries closer to market. For FY 2021-22, salaries and benefits are budgeted at $154,410,531, representing an increase of $16,433,575 (12%) over the previous year. This projected increase is in part due to expected and/or planned filling vacant positions that resulted from the pandemic.
- Discretionary Revenue. Total FY 2021-22 projected discretionary (non-departmental) revenue is $85,500,000, a $9.6 million, or 13%, increase from prior year. The largest projected increases are property tax, $2.8 million, or 8%, and cannabis business tax, $2.5 million, or 63%, followed by room transient occupancy tax, $1.6 million, or 63%, and sales & use tax, 1.6 million, or 26%.
- Prevention, Recovery, Resiliency and Mitigation (PRRM). Total FY 2021-22 projected disaster recovery revenue is $6.3 million, a $5.0 million decrease from prior year. The largest projected decreases are in federal other revenue, $(3.0) million, and grant revenue, $(1.5) million. Projected FY 2021-22 expenditures are $8.1 million, a decrease of $2.8 million from prior year. The County's disaster recovery fund and department were created in 2017 to manage and support the County's response to emergency services, disaster recovery, and resiliency, including emergency preparedness, emergency access routes, fuels reduction and forest

management. Since January 2020, Mendocino County has been part of a coordinated Public Health response involving the Federal Centers for Disease Control and Prevention (CDC) and the California Department of Public Health (CDPH). Since the start of the pandemic, the County has committed over 75,000 and counting staff hours for our efforts to protect human life and minimizing the strain on the health care system. Those response hours are equivalent to 35 FTE compared to the County's annual 1,000 FTE count. Disaster Recovery will continue to implement grant funded disaster recovery projects, such as hazardous tree removal, county-wide economic recovery and resiliency plan, shaded fuel break and fuel reduction in Ukiah Valley, and erosion prevention in the 2017 Redwood Complex Fire footprint along with initiating Phase II of the Redwood Valley County Water District Retrofit Project and completing the updates to the local hazard mitigation plan and General Plan Safety Element.

- Measure B. Total FY 2021-22 projected Measure B tax revenue is $9.7 million, a $1.0 million increase from prior year. Projected FY 2021-22 expenditures are $4.2 million, a $1.2 million increase from prior year. The voters of Mendocino County passed Measure B on November 7, 2017, for the creation of the Mental Health Treatment Fund, to provide services, treatment, and facilities for persons with mental health conditions, into which 100% of the Measure B tax revenue shall be deposited. For a period of five (5) years, a maximum of 75% of the revenue deposited into the Fund may be used for facilities with no less than 25% dedicated to services and treatment; thereafter, 100% of all revenue deposited into the Fund shall be used for ongoing operations, services, and treatment.
- Cannabis Management. The largest new program undertaken by the County in many years is the new Cannabis Management Program. Projected FY 2021-22 revenue has been conservatively budgeted at $65,000, a decrease of ($460,000) from prior year. The FY 2021-22 total Cannabis Management net appropriations are budgeted at $851,990, an increase of $29,818 over prior year. Toward the end of fiscal year 2020-2021, the County made the decision to turn the Cannabis Program into a stand-alone department. As a new department that has yet to establish its own fees, staff have not yet been able to realize department specific revenue. Yet as a transitioning entity, program staff collected the fees and oversaw the Tax Appeals process for the 2021 Cannabis Business Tax year, as well as fees associated with the processing of the County's Section 15168 Environmental Checklist, commonly known as Appendix G. The Cannabis Management Program also manages the Cannabis Equity Program, which is grant program funded by the State.

Requests for Information. The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mendocino County Auditor-Controller, 501 Low Gap Road, Room 1080, Ukiah, California 95482. This report is also available online at www.mendocinocounty.org/government/auditor-controller.

MENDOCINO
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COUNTY

BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS

MENDOCINO
1850
COUNTY

COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and Investments	$ 137,281,179
Cash with Fiscal Agent	8,833,638
Other Cash	87,668
Accounts Receivable	22,864,532
Due from Other Governments	9,276,398
Taxes Receivable	9,197,871
Inventories	904,630
Capital Assets:	
Nondepreciable	33,149,794
Depreciable, Net	112,496,884
Total Assets	334,092,594
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pensions	54,038,138
LIABILITIES	
Accounts Payable	15,696,043
Salaries and Benefits Payable	6,707,214
Interest Payable	1,099,205
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,280,000
Bonds Payable	5,740,000
Closure/Post-Closure Liability	498,155
Liability for Compensated Absences	5,729,504
Claims Liability	4,435,191
Portion Due or Payable After One Year:	
Certificates of Participation	13,430,000
Bonds Payable	33,915,000
Closure/Post-Closure Liability	8,708,000
Net Pension Liability	247,246,342
Total Liabilities	344,484,654
DEFERRED INFLOWS OF RESOURCES	
Deferred Pensions	41,617
NET POSITION	
Net Investment in Capital Assets	129,961,434
Permanetly Restricted for Endowments	566,971
Temporarily Restricted for:	
Legally Segregated Taxes, Grants, and Fees	95,481,994
Debt Service and Capital Projects	8,972,479
Unrestricted	(191,378,417)
Total Net Position	$ 43,604,461

See accompanying Notes to Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government Governmental Activities
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	$ 22,850,862	$ 4,024,452	$ 7,394,174	$ -	$ (11,432,236)
Public Protection	84,641,799	9,045,490	31,221,544	-	(44,374,765)
Public Ways and Facilities	22,349,873	481,684	11,654,768	3,404,935	(6,808,486)
Health and Sanitation	70,043,960	7,933,991	55,701,082	-	(6,408,887)
Public Assistance	80,229,727	619,931	71,406,932	-	(8,202,864)
Education	3,936,977	787,479	85,341	-	(3,064,157)
Recreation and Culture	616,849	9,644	-	-	(607,205)
Debt Service:					
Interest	2,922,873	-	-	-	(2,922,873)
Total Governmental Activities	$ 287,592,920	$ 22,902,671	$ 177,463,841	$ 3,404,935	(83,821,473)
GENERAL REVENUES					
Taxes:					
Property Taxes					55,714,699
Sales and Use Taxes					31,030,406
Transient Occupancy Tax					7,960,905
Other					6,726,963
Unrestricted Interest and Investment Earnings					549,173
Miscellaneous					2,374,770
Total General Revenues					104,356,916
CHANGE IN NET POSITION					20,535,443
Net Position - Beginning of Year, Restated					23,069,018
NET POSITION - END OF YEAR					$ 43,604,461

See accompanying Notes to Financial Statements.

BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS

COUNTY OF MENDOCINO
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
ASSETS				
Pooled Cash and Investments in Treasury	$ 67,240,241	$ 21,360	$ 1,193,264	$ 9,518,457
Restricted Assets:				
Cash with Fiscal Agent	-	1,959,252	6,874,386	-
Imprest Cash	5,414	-	-	-
Accounts Receivable	3,864,912	-	-	4,149,854
Taxes Receivable	7,186,541	-	-	-
Due from Other Governments	6,135,219	23,422	-	40,246
Inventory	263,472	-	-	-
Due from Other Funds	10,997,778	-	-	-
Total Assets	$ 95,693,577	$ 2,004,034	$ 8,067,650	$ 13,708,557
LIABILITIES				
Accounts Payable	$ 5,683,214	$ -	$ -	$ 4,271,211
Accrued Salaries and Benefits	5,874,305	-	-	158,644
Due to Other Funds	-	-	-	-
Total Liabilities	11,557,519	-	-	4,429,855
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	3,149,184	-	-	4,129,537
Total Deferred Inflows of Resources	3,149,184	-	-	4,129,537
FUND BALANCES				
Nonspendable	263,472	-	-	-
Restricted	8,714,288	2,004,034	8,067,650	5,149,165
Assigned	50,403,951	-	-	-
Unassigned	21,605,163	-	-	-
Total Fund Balances	80,986,874	2,004,034	8,067,650	5,149,165
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 95,693,577	$ 2,004,034	$ 8,067,650	$ 13,708,557

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Road	Mental Health Treatment	Disaster Recovery Fund	Other Governmental Funds	Total
ASSETS					
Pooled Cash and Investments in Treasury	$ 2,218,030	$ 24,841,883	$ -	$ 23,837,901	$ 128,871,136
Restricted Assets:					
Cash with Fiscal Agent	-	-	-	-	8,833,638
Imprest Cash	50	-	-	595	6,059
Accounts Receivable	4,675,514	-	8,663,071	1,498,809	22,852,160
Taxes Receivable	223,280	1,275,914	-	512,136	9,197,871
Due from Other Governments	1,743,675	833,327	1,315	499,194	9,276,398
Inventory	641,158	-	-	-	904,630
Due from Other Funds	-	-	-	-	10,997,778
Total Assets	$ 9,501,707	$ 26,951,124	$ 8,664,386	$ 26,348,635	$ 190,939,670
LIABILITIES					
Accounts Payable	$ 480,923	$ 39	$ 1,161,811	$ 3,604,139	$ 15,201,337
Accrued Salaries and Benefits	342,455	-	24,806	264,129	6,664,339
Due to Other Funds	-	-	10,200,707	-	10,200,707
Total Liabilities	823,378	39	11,387,324	3,868,268	32,066,383
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	4,668,900	-	8,663,071	1,009,667	21,620,359
Total Deferred Inflows of Resources	4,668,900	-	8,663,071	1,009,667	21,620,359
FUND BALANCES					
Nonspendable	641,158	-	-	566,971	1,471,601
Restricted	3,368,271	26,951,085	4,981,496	19,782,258	79,018,247
Assigned	-	-	-	1,121,471	51,525,422
Unassigned	-	-	(16,367,505)	-	5,237,658
Total Fund Balances	4,009,429	26,951,085	(11,386,009)	21,470,700	137,252,928
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,501,707	$ 26,951,124	$ 8,664,386	$ 26,348,635	$ 190,939,670

See accompanying Notes to Basic Financial Statements.

MENDOCINO
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COUNTY OF MENDOCINO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Fund Balance - Total Governmental Funds	$ 137,252,928
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	21,620,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	143,137,748
Deferred outflows of resources reported in the Statement of Net Position.	54,038,138
Internal service funds are used by the County to charge the cost of insurance, software acquisition and vehicle replacement services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:	5,203,295
Deferred inflows of resources reported in the statement of net position.	(41,617)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position.	
Bonds Payable	(39,655,000)
Certificates of Participation	(14,710,000)
Accrued Interest on Long-Term Debt	(1,099,205)
Compensated Absences	(5,689,688)
Pension Liability	(247,246,342)
Landfill Closure/Post Closure Care Costs	(9,206,155)
Net Position of Governmental Activities	$ 43,604,461

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, 2021

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
REVENUES				
Taxes	$ 87,403,634	$ -	$ -	$ -
Licenses, Permits, and Franchises	4,961,346	-	-	-
Intergovernmental	100,836,364	35,703	-	25,752,998
Revenue from Use of Money and Property	761,016	(4,710)	(32,537)	4,696
Fines, Forfeitures, and Penalties	916,522	7,800	-	-
Charges for Services	12,346,360	-	-	1,918,576
Other Revenues	1,742,247	-	467,342	112,286
Total Revenues	208,967,489	38,793	434,805	27,788,556
EXPENDITURES				
Current:				
General Government	18,765,027	3,425	3,649	-
Public Protection	67,434,210	-	-	-
Public Ways and Facilities	780,834	-	-	-
Health and Sanitation	14,621,885	-	-	25,005,874
Public Assistance	74,874,928	-	-	-
Education	182,341	-	-	-
Recreation and Culture	540,699	-	-	-
Debt Service:				
Principal	-	1,230,000	5,440,000	-
Interest	36,753	635,498	2,408,750	-
Capital Outlay	3,223,702	-	-	-
Total Expenditures	180,460,379	1,868,923	7,852,399	25,005,874
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,507,110	(1,830,130)	(7,417,594)	2,782,682
OTHER FINANCING SOURCES (USES)				
Transfers in	6,974,531	1,835,100	7,841,170	300,000
Transfers out	(27,533,843)	-	-	(233,779)
Total Other Financing Sources (Uses)	(20,559,312)	1,835,100	7,841,170	66,221
NET CHANGES IN FUND BALANCES	7,947,798	4,970	423,576	2,848,903
Fund Balances - Beginning of Year, Restated	73,039,076	1,999,064	7,644,074	2,300,262
FUND BALANCES - END OF YEAR	$ 80,986,874	$ 2,004,034	$ 8,067,650	$ 5,149,165

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Road	Mental Health Treatment	Disaster Recovery Fund	Other Governmental Funds	Total
REVENUES					
Taxes	$ 52,319	$ 10,848,181	$ -	$ 3,128,839	$ 101,432,973
Licenses, Permits, and Franchises	157,801	-	-	358,205	5,477,352
Intergovernmental	16,036,616	-	13,901,273	17,077,105	173,640,059
Revenue from Use of Money and Property	(78,136)	72,107	-	(130,348)	592,088
Fines, Forfeitures, and Penalties	32,615	-	-	21,188	978,125
Charges for Services	291,268	-	-	1,872,122	16,428,326
Other Revenues	13,318	-	5,600	33,977	2,374,770
Total Revenues	16,505,801	10,920,288	13,906,873	22,361,088	300,923,693
EXPENDITURES					
Current:					
General Government	-	-	-	261,548	19,033,649
Public Protection	-	-	5,707,961	2,297,893	75,440,064
Public Ways and Facilities	21,024,918	-	-	51,665	21,857,417
Health and Sanitation	-	159,834	-	28,168,329	67,955,922
Public Assistance	-	-	-	109,646	74,984,574
Education	-	-	-	3,366,356	3,548,697
Recreation and Culture	-	-	-	376	541,075
Debt Service:					
Principal	-	-	-	-	6,670,000
Interest	-	-	-	-	3,081,001
Capital Outlay	-	-	-	16,873,585	20,097,287
Total Expenditures	21,024,918	159,834	5,707,961	51,129,398	293,209,686
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,519,117)	10,760,454	8,198,912	(28,768,310)	7,714,007
OTHER FINANCING SOURCES (USES)					
Transfers in	3,981,757	-	2,426,745	31,072,951	54,432,254
Transfers out	(437,604)	(2,328,153)	(20,475,700)	(5,422,696)	(56,431,775)
Total Other Financing Sources (Uses)	3,544,153	(2,328,153)	(18,048,955)	25,650,255	(1,999,521)
NET CHANGES IN FUND BALANCES	(974,964)	8,432,301	(9,850,043)	(3,118,055)	5,714,486
Fund Balances - Beginning of Year, Restated	4,984,393	18,518,784	(1,535,966)	24,588,755	131,538,442
FUND BALANCES - END OF YEAR	$ 4,009,429	$ 26,951,085	$ (11,386,009)	$ 21,470,700	$ 137,252,928

See accompanying Notes to Basic Financial Statements.

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COUNTY OF MENDOCINO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net Change to Fund Balance - Total Governmental Funds		$ 5,714,486
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	$ 25,566,378	
Less: Current Year Depreciation	(7,043,514)	
		18,522,864
Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.		7,247,585
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal and Refunded Debt Repayments:		
Bonds Payable	5,440,000	
Certificates of Participation	1,230,000	
		6,670,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Long-Term Debt	158,128	
Change in Compensated Absences	(908,753)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(14,977,727)	
Change in Liability for Closure/Post Closure Care	432,200	
		(15,296,152)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.		(2,323,340)
Change in Net Position of Governmental Activities		$ 20,535,443

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities Internal Service Funds
ASSETS	
CURRENT ASSETS	
Pooled Cash and Investments in Treasury	$ 8,403,984
Other Cash	87,668
Accounts Receivable	12,372
Total Current Assets	8,504,024
NONCURRENT ASSETS	
Capital Assets:	
Depreciable, Net	2,508,930
Total Noncurrent Assets	2,508,930
Total Assets	$ 11,012,954
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts Payable	$ 494,706
Accrued Salaries and Benefits	42,875
Due to Other Funds	797,071
Compensated Absences	39,816
Liability for Unpaid Claims	4,435,191
Total Liabilities	5,809,659
NET POSITION	
Investment in Capital Assets	2,508,930
Unrestricted	2,694,365
Total Net Position	5,203,295
Total Liabilities and Net Position	$ 11,012,954

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for Services	$ 22,300,098
Other Revenues	95,261
Total Operating Revenues	22,395,359
OPERATING EXPENSES	
Salaries and Employee Benefits	819,545
Services and Supplies	2,407,195
Insurance	7,120,946
Depreciation	328,054
Claims and Judgments	16,006,533
Total Operating Expenses	26,682,273
OPERATING INCOME (LOSS)	(4,286,914)
NONOPERATING REVENUES (EXPENSES)	
Other Revenue	6,968
Interest Revenue (Expense)	(42,915)
Total Nonoperating Revenues (Expenses)	(35,947)
INCOME (LOSS) BEFORE TRANSFERS	(4,322,861)
TRANSFERS IN	2,617,931
TRANSFERS OUT	(618,410)
CHANGE IN NET POSITION	(2,323,340)
Net Position - Beginning of Year	7,526,635
NET POSITION - END OF YEAR	$ 5,203,295

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Interfund Services Provided	$ 22,751,620
Cash Paid to Employees for Services	(817,649)
Cash Paid to Suppliers for Goods and Services	(26,148,575)
Net Cash Provided (Used) by Operating Activities	(4,214,604)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Noncapital Other Contributions	6,968
Transfers In	3,415,002
Transfers Out	(618,410)
Net Cash Provided (Used) by Noncapital Financing Activities	2,803,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(2,323,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	(42,915)
Net Cash Provided (Used) by Investing Activities	(42,915)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	12,269,289
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,491,652
Pooled Cash and Investments in Treasury	$ 8,403,984
Other Cash	87,668
TOTAL CASH AND CASH EQUIVALENTS	$ 8,491,652

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	328,054
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	356,261
Increase (Decrease) in:	
Accounts Payable	(400,084)
Accrued Salaries	3,500
Compensated Absences	(1,604)
Claims Liability	(213,817)
Net Cash Provided (Used) by Operating Activities	$ (4,214,604)

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2021

	Investment Trust	Custodial Funds	Pension Trust Fund
ASSETS			
Cash and Investments in Treasury	$ 213,950,966	$ 7,962,693	$ 110,149
Investments:			
Fixed Income	-	-	147,615,144
Domestic Equities			272,657,303
International Equities			193,415,783
Real Estate Partnerships			64,005,697
Infrastructure			16,418,290
Real Estate - 625 Kings Court, Ukiah, CA			1,750,000
Accounts Receivable	-	-	1,749,611
Taxes Receivable	-	11,525,008	-
Other Assets	-	-	238,149
Total Assets	213,950,966	19,487,701	697,960,126
LIABILITIES			
Accounts Payable and Accrued Expenses	-	-	1,518,824
Due to Other Governments	-	1,222,112	-
Total Liabilities	-	1,222,112	1,518,824
NET POSITION			
Restricted for:			
Pensions	-	-	696,441,302
Pool Participants	213,950,966	-	-
Individuals, Organizations, and Other Governments	-	18,265,589	-
Total Net Position	$ 213,950,966	$ 18,265,589	$ 696,441,302

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021

	Investment Trust	Custodial Funds	Pension Trust Fund
ADDITIONS			
Contributions:			
Employer Contributions	$ -	$ -	$ 26,333,815
Member Contributions	-	-	7,053,907
Contributions on Pooled Investments	336,825,203	-	-
Taxes Collected for Other Governments	-	248,651,579	-
Interest and Investment Income - Net	(12,250)	77,058	166,513,422
Total Additions	336,812,953	248,728,637	199,901,144
DEDUCTIONS			
Benefit Payments	-	-	41,076,641
Administrative Expenses	-	-	1,372,414
Taxes Distributed to Other Governments	-	245,323,896	-
Distributions from Investment Pool	328,977,774	-	-
Total Deductions	328,977,774	245,323,896	42,449,055
CHANGE IN NET POSITION	7,835,179	3,404,741	157,452,089
Net Position - Beginning of Year, Restated	206,115,787	14,860,848	538,989,213
NET POSITION - END OF YEAR	$ 213,950,966	$ 18,265,589	$ 696,441,302

See accompanying Notes to Basic Financial Statements.

MENDOCINO
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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.

MENDOCINO
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The County of Mendocino (the County), the primary government, is a political subdivision of the state of California. It is governed by an elected board of five County supervisors.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year-end.

Blended Component Units

The Alexander Estates Lighting District, Covelo Lighting District, Fairview Acres Lighting District, Hopland Lighting District, Laytonville Lighting District, Noyo Lighting District, Oak Knoll Lighting District, Riverwood Terrace Lighting District, Ukiah Village Lighting District, West Talmage Lighting District, Lakewood Lighting District, Meadowbrook Manor Sanitation District, Mendocino County Air Quality Management District, and Mendocino County Public Facilities Corporation are districts and a corporation governed by the County board of supervisors. The component unit's governing body is substantially the same as the primary government and a financial benefit or burden relationship exists between the primary government and each of the component units, hence, these units are presented by blending them with the primary government.

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

Fiduciary Component Units

The County pension plan is administered by the Mendocino County Employee's Retirement Association (MCERA), which was established on January 1, 1948, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County. MCERA is reported in the Pension Trust Fund on the Statement of Fiduciary Net Position – Fiduciary Funds of the basic financial statements and has been included because there is a financial benefit or burden relationship and the County appoints a voting majority of the Board. See note 9 for further disclosures related to the pension plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities that report information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities; interfund services provided and used are not eliminated in the process of consolidation.

These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. At June 30, 2021, the County had no business-type activities.

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions, and therefore, are clearly identifiable to a particular function and allocated indirect expenses. Direct expenses also include each function's allocated share of indirect expenses. Program revenues include 1) fees, fines and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position is available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – *governmental, proprietary, and fiduciary* – even though the latter are excluded from the government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a single column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

- The *General* Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreational services.

- The *Debt Service Fund* is used to accumulate funds for the payment of debt service on the Certificates of Participation.

- The *Pension Obligation Bonds Fund* is used to accumulate funds for the payment of debt service on the Pension Obligation Bonds. Deposits are made on each pay period from amounts charged to the individual departments, based on retirement participation.

- The *Mental Health Services Fund* is a special revenue fund whose revenues are legally restricted for specified mental health purposes. The financial activities of the Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003. Revenues consist primarily of intergovernmental revenues and charges for services.

- The *Road Fund* is a special revenue fund that provides for planning, design, construction, maintenance, and administration of County maintained roads. Revenues consist primarily of highway user taxes and other intergovernmental revenues.

- The *Mental Health Treatment Fund* is a sales tax special revenue fund entirely dedicated to improve services, treatment and facilities for persons with mental health conditions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The *Disaster Recovery Fund* consist of FEMA public assistance and other grant revenues that support the physical and financial recovery of the County and its communities in the wake of a major fire, severe storm or earthquake event. The County has identified eight recovery support functions that correspond with federal and state disaster recovery frameworks. They are community emergency preparedness, community planning and capacity building, infrastructure systems, economic resiliency & sustainability, health and human services, housing, natural systems, and cultural resources.

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the County's vehicle replacement and software acquisition services provided to other departments or to other governments and self-insurance programs – unemployment, general liability, workers' compensation, and health insurance benefits, on a cost-reimbursement basis.

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Custodial Funds* account for assets held by the County as an agent for various local governments. The agency funds maintained by the County include two separate components.

    - County Departmental – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

    - Unapportioned Taxes – Accounts for property tax receipts awaiting apportionment to other local agencies.

- The *Pension Trust Fund* accounts for the pooled cash held in the County Treasury for the Mendocino County Employees' Retirement Association.

C. Measurement Focus and Basis of Accounting

The government-wide, and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be measurable and available. All other revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded as expenditures only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Fiduciary funds include trust funds and custodial funds. All fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

D. Cash and Investments

Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired.

The County follows the practice of pooling cash and investments which represent deposits, time certificates of deposit, medium term notes, and U.S. Government securities. The securities are stated at amortized cost, which approximates market.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's Investment Pool, to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

Receivables consist mostly of amounts due from other agencies. Management believes its receivables are fully collectible and accordingly, no allowance for doubtful accounts is required.

G. Inventories

Inventories are valued at average cost. Inventories in the Road Fund consist of road supplies, fuel and various consumable items. Inventories in the General Fund consist of office supplies. Inventory recorded by governmental funds are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by nonspendable fund balance to indicate that portion of fund balance is not in spendable form.

H. Restricted Assets

The County has $8,833,638 restricted cash deposited with fiscal agents to meet Certificates of Participation, Pension Obligation Bond and other long-term debt reserve fund requirements.

I. Net Position/Fund Balance

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets (net of related debt), restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position/Fund Balance (Continued)

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds consist of the following categories:

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors with a 4/5 vote. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

- *Assigned Fund Balance* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

- *Unassigned Fund Balance* – is the residual classification and includes all amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance, other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes. Positive unassigned amounts are technically available for any purposes.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

In Proprietary fund financial statements net position are accounted for the same as in the government-wide statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Tax Revenue

Property taxes attach as an enforceable lien at January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor's Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the state of California. County property tax revenues are recognized when levied in accordance with the alternative method of property tax allocation (Teeter Plan).

Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all of the current tax levy is distributed to all participating entities.

The County then receives delinquent penalties and fees on the entire participating tax roll.

The County maintains 25% of the total delinquent secured taxes for participating entities in the County, as calculated at the end of the fiscal year, in the tax loss reserve fund. The balance in the fund was approximately $1,262,715 at year-end.

K. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure (Except for the Maintained Pavement Subsystem)	20 to 50 Years
Structures and Improvements	10 to 40 Years
Equipment	3 to 10 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item, pension, which qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which qualify for reporting in this category: pensions and unavailable revenue. The item, *unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues generally from intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Mendocino County Employees' Retirement Association (MCERA).

The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions (Continued)

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plan with MCERA and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by MCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Current Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2019. The County of Mendocino implemented this statement for the year ended June 30, 2021. As a result fund balance/net position of governmental and fiduciary funds was restated at the beginning of the year, see Note 8.

NOTE 2 CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County treasurer for the purpose of securing and protecting the public funds of the County and other participants. Funds not immediately required for daily operations are invested in an attempt to earn a yield commensurate to current conditions. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The state of California Statutes require certain special districts and other governmental entities to maintain their cash surplus with the County treasurer.

Cash and investments held by fiscal agents outside of the County's investment pool are restricted as to its use. It consists of funds designated by debt agreements as reserve funds.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority: safety, liquidity, yield, and public trust.

The Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the investment pool participants every quarter. The report covers the types of investments in the pool, maturity dates, par value, actual costs, and fair value.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

At June 30, 2021, total County cash and investments were as follows:

Cash:	
Cash on Hand	$ 3,211,262
Imprest Cash	6,059
Other Cash	87,668
Deposits Less Outstanding Warrants	24,829,288
Total Cash	28,134,277
Investments:	
In Treasurer's Pool	331,258,378
With Fiscal Agents	8,833,638
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	695,862,217
Total Investments	1,035,954,233
Total Cash and Investments	$ 1,064,088,510

Total cash and investments at June 30, 2021, were presented on the County's financial statements as follows:

Primary Government	$ 146,202,485
Investment Trust Fund	213,950,966
Pension Trust Fund	695,972,366
Custodial Funds	7,962,693
Total Cash and Investments	$ 1,064,088,510

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits.

At June 30, 2021, the carrying value of the County's deposits was $24,829,288 and the bank balance was $29,378,734. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, $250,000 was covered by Federal Depository Insurance Corporation (FDIC) and the remainder was covered by the multiple financial institution collateral pool that insures public deposits.

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%

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

At June 30, 2021, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Investment Pool:					
Federal Agency Obligations	0.21% - 2.86%	7/14/2021 - 2/26/2024	120,827,572	121,968,885	1.73
Treasury Obligations	0.15% - 2.53%	8/31/2021 - 4/30/2025	76,707,672	77,368,634	2.19
Medium Term Corporate Notes	0.39% - 3.05%	1/24/2022 - 2/16/2025	23,733,919	24,066,675	2.06
Commercial Paper	0.22% - 0.25%	8/3/2021 - 1/21/2022	5,990,506	5,996,590	0.25
Supranational	0.21% - 0.25%	7/20/2021 - 11/24/2023	13,569,471	13,812,994	1.32
Time Deposit	0.50% - 0.55%	3/3/2022 - 3/20/2022	500,000	500,000	0.70
Certificate of Deposit	0.24% - 0.28%	11/24/2021 - 4/28/2022	3,750,000	3,750,642	0.60
Money Market Mutual Funds	Variable	On Demand	793,958	793,958	
California Local Agency Investment Fund (LAIF)	Variable	On Demand	75,000,000	75,000,000	
California Asset Management Program	Variable	On Demand	8,000,000	8,000,000	
			328,873,098	331,258,378	
Investments Outside Investment Pool:					
Cash Held with Fiscal Agent					
Pension Trust Fund (Held by MCERA)	Variable	N/A	695,862,217	695,862,217	
Money Market Mutual Funds	Variable	On Demand	8,833,638	8,833,638	
Total Investments			$ 1,033,568,953	$ 1,035,954,233	

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the rating of A1 by *Standards & Poor's* or P-1 by *Moody's Investors Service*. State law also limits investments in corporate bonds to the rating of A or better by *Standard & Poor's* and *Moody's Investors Service* for a maturity of up to five years.

Concentration of Credit Risk

At June 30, 2021, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: 13.83% ($45,823,504) Federal Farm Credit Bank, 11.05% ($36,607,990), Federal Home Loan Mortgage Corp, 6.13% ($20,314,434) Federal National Mortgage Association, and 5.81% ($19,230,108) Federal Home Loan Banks.

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The principles recognize a three-tiered fair value hierarchy, as follows:

Level 1 - Investments reflect prices quoted in active markets;

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Investments reflect prices based upon unobservable sources.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The pool has the following recurring fair value measurements as of June 30, 2021:

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Federal Agency Obligations	$ 121,968,885	$ -	$ 121,968,885	$ -
Treasury Obligations	77,368,634	-	77,368,634	-
Medium Term Corporate Notes	24,066,675	-	24,066,675	-
Commercial Paper	5,996,590	-	5,996,590	-
Supranational	13,812,994	-	13,812,994	-
Certificate of Deposit	3,750,642	-	3,750,642	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	793,958	793,958	-	-
Total Investments Measured at Fair Value	248,258,378	$ 1,293,958	$ 246,964,420	$ -
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	75,000,000			
California Asset Management Program	8,000,000			
Total Pooled and Directed Investments	$ 331,258,378			

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's carrying value at June 30, 2021:

	Moody's	S & P	% of Portfolio
Investments in Investment Pool:			
Federal agency obligations	Unrated	Unrated	35.61%
Federal agency obligations	Unrated	Unrated	1.21%
Treasury obligations	Unrated	Unrated	23.36%
Medium term notes	A1	A+	2.04%
Medium term notes	A2	A	2.38%
Medium term notes	A2	A-	1.15%
Medium term notes	Aa1	AA+	0.62%
Medium term notes	Aa2	AA	0.47%
Medium term notes	Aa3	A	0.60%
Money market mutual funds	Aaa	AAA	0.24%
Supranational	Aaa	AAA	4.17%
Time Deposit	Unrated	Unrated	0.15%
Commercial Paper	P-1	A-1	1.21%
Commercial Paper	P-1	A-1+	0.60%
Certificate of Deposit	P-1	A-1	1.13%
California Local Agency Investment Fund State Pool	Unrated	Unrated	22.64%
Public Financial Management CAMP	Unrated	AAA	2.42%
			100.00%

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (Continued)

Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2021, the County's investment position in the state of California Local Agency Investment Fund (LAIF) was $75 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was $193.46 billion. Of that amount, 2.31% was invested in structured notes and asset-backed securities with the remaining 97.69% invested in other nonderivative financial products.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the investment pool as of June 30, 2021:

Statement of Net Position

Net Position Held for Pool Participants	$ 359,298,928
Equity of Internal Pool Participants	$ 145,347,962
Equity of External Pool Participants	213,950,966
Total Net Position	$ 359,298,928

Statement of Changes in Net Position

Net Position for Pool Participants at July 1, 2020	$ 317,849,664
Net Change in Investments by Pool Participants	41,449,264
Net Position at June 30, 2021	$ 359,298,928

NOTE 3 ENDOWMENTS

For the year ended June 30, 2021, the net appreciation on investments of donor-restricted endowments was $4,650. Under local ordinances and state statutes, the County is authorized based on a total-return policy to spend the appreciation on the supplies and maintenance of the community libraries and museums.

NOTE 4 INTERFUND TRANSACTIONS

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

Transfer From	Transfer To	Amount
General Fund	Debt Service Fund	$ 1,785,361
	Pension Obligation Bonds Fund	6,924,488
	Road Fund	3,766,860
	Internal Service Funds	2,599,523
	Disaster Recovery	2,303,285
	Other Governmental Funds	10,154,326
		27,533,843
Mental Health Services Fund	General Fund	4,667
	Pension Obligation Bonds Fund	179,373
	Debt Service Fund	49,739
		233,779
Roads Fund	General Fund	50,304
	Pension Obligation Bonds Fund	387,300
		437,604
Mental Health Treatment Fund	Pension Obligation Bonds Fund	4,844
	Other Governmental Funds	2,323,309
		2,328,153
Disaster Recovery Fund	General Fund	4,245,906
	Pension Obligation Bonds Fund	22,361
	Internal Service Funds	18,408
	Other Governmental Funds	16,189,025
		20,475,700
Nonmajor Governmental Funds	General Fund	2,320,149
	Mental Health Services Fund	300,000
	Pension Obligation Bonds Fund	272,796
	Disaster Recovery	123,460
	Other Governmental Funds	2,406,291
		5,422,696
Internal Service Funds	General Fund	353,506
	Road Fund	214,897
	Pension Obligation Bonds Fund	50,007
		618,410
Total		$ 57,050,185

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020 (Restated)	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2021
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	$ 2,928,621	$ -	$ -	$ -	$ 2,928,621
Construction in Progress	18,526,787	23,877,465	-	(12,183,079)	30,221,173
Total Capital Assets, Not Being Depreciated	21,455,408	23,877,465	-	(12,183,079)	33,149,794
Capital Assets, Being Depreciated:					
Infrastructure	105,953,983	-	-	6,127,072	112,081,055
Structures and Improvements	86,853,778	-	-	6,056,007	92,909,785
Equipment	38,689,747	4,047,109	(507,912)	-	42,228,944
Improvements Other than Buildings	6,112,950	-	-	-	6,112,950
Total Capital Assets, Being Depreciated	237,610,458	4,047,109	(507,912)	12,183,079	253,332,734
Less Accumulated Depreciation for:					
Infrastructure	(49,588,947)	(2,634,949)	-	-	(52,223,896)
Structures and Improvements	(48,832,680)	(2,215,247)	-	-	(51,047,927)
Equipment	(30,635,465)	(2,283,902)	473,394	-	(32,445,973)
Improvements Other than Buildings	(4,880,584)	(237,470)	-	-	(5,118,054)
Total Accumulated Depreciation	(133,937,676)	(7,371,568)	473,394	-	(140,835,850)
Total Capital Assets, Being Depreciated, Net	103,672,782	(3,324,459)	(34,518)	12,183,079	112,496,884
Governmental Activities Capital Assets, Net	$ 125,128,190	$ 20,553,006	$ (34,518)	$ -	$ 145,646,678

Depreciation expense was charged to governmental functions as follows:

General Government	$ 1,536,549
Public Protection	1,107,464
Public Ways and Facilities	3,336,509
Health and Sanitation	444,229
Public Assistance	490,899
Education	92,194
Recreation and Culture	35,670
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	328,054
Total Depreciation Expense - Governmental Functions	$ 7,371,568

NOTE 6 LONG-TERM LIABILITIES

Individual issues of loans, bonds and certificates of participation outstanding at June 30, 2021, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2021
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	$39,655,000
Refunding Certificates of Participation:					
2012 Series (Issued to Refund 2002 and 2000 Series COPs that funded the construction of capital assets)	7/15/2012 - 7/15/2030	1.00% - 4.30%	$975,000 - $1,830,000	$ 25,810,000	$ 14,710,000

A. Summary of Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Refunding Certificates of Participation	$ 15,940,000	$ -	$ (1,230,000)	$ 14,710,000	$ 1,280,000
Bonds Payable	45,095,000	-	(5,440,000)	39,655,000	5,740,000
Compensated Absences	4,822,355	2,439,100	(1,531,951)	5,729,504	5,729,504
Liability for Self-Insurance	4,649,008	16,006,533	(16,220,350)	4,435,191	4,435,191
Landfill Postclosure Costs	9,638,355	-	(432,200)	9,206,155	498,155
Total Governmental Activities	$ 80,144,718	$ 18,445,633	$ (24,854,501)	$ 73,735,850	$ 17,682,850

As of June 30, 2021, annual debt service requirements of governmental activities to maturity are as follows:

	Governmental Activities			
	Certificate of Participation		Bonds Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest
2022	$ 1,280,000	$ 589,372	$ 5,740,000	$ 2,100,182
2023	1,325,000	544,572	6,055,000	1,774,640
2024	2,155,000	494,886	6,390,000	1,423,170
2025	1,500,000	408,684	6,760,000	1,043,793
2026	1,560,000	348,686	7,150,000	642,490
2027-2030	6,890,000	738,858	7,560,000	218,106
Total	$ 14,710,000	$ 3,125,058	$ 39,655,000	$ 7,202,381

Claims and judgments will be paid from the County's risk management internal service funds. A majority of the claims are paid through internal service fund charges to the general fund and special revenue funds. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, special revenue funds, and other internal service funds.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Leases

Operating Leases

The County has signed several operating leases, primarily for office buildings. Terms of the leases are month-to-month or contain early termination clauses. Because of this, the County does not have a definite noncancelable commitment from the various leases. Rental expenditures were approximately $1,292,000 during the year ended June 30, 2021.

C. Compensated Absences

Vacation – employees accrue vacation at varying rates depending on the length of an employee's service. Upon termination unused vacation, up to accrual limits, is paid off in cash. Sick leave – all employees accrue sick leave at the rate of 15 days per year. Sick leave may be accrued without limit. Upon termination, unused sick leave will be applied toward length of service for retirement credit. Holidays must be taken within the calendar year and are not accruable. The County records the gross vacation liability. At fiscal year end, the total liability for compensated absences was $5,729,504. Based on historical experience County employees utilize substantially all accrued compensated absences within the following fiscal year. As such, the County considers the entire balance of compensated absences liability to be current.

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal law and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $9,206,155 reported as landfill closure/postclosure liability at June 30, 2021, represents the cumulative amount reported to date based on the use of various percents of the estimated capacity of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The following information pertains to the various landfills in the County:

Location	Ownership of Landfill	Percent Filled	Year of Closure	Estimated Liability at June 30, 2021
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	1994	$ 1,269,571
South Coast Landfill	Mendocino County	100%	Pending	5,752,491
Laytonville Landfill	Mendocino County	100%	1997	2,184,093
Total				$ 9,206,155

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2021, investments of $4,434,249 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Casper Landfill and Laytonville Landfill are closed. The County is in the process of closing South Coast Landfill and is no longer accepting waste from the public.

NOTE 8 NET POSITION/FUND BALANCES

Net Position

Net investment in capital assets was comprised of the following:

	Governmental Activities
Capital Assets Net of Accumulated Depreciation	$ 145,646,678
Outstanding Principal of Capital-Related Debt	(14,710,000)
Capital-Related AP	(975,244)
Net Position, Net Investment in Capital Assets	$ 129,961,434

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Fund Balances

Details of the fund balance classifications of governmental funds as of June 30, 2021 are as follows:

	General	Debt Service	Pension Obligation Bonds	Mental Health Services	Road	Mental Health Treatment	Disaster Recover	Other Governmental Funds	Total
Nonspendable									
Inventory	$ 263,472	$ -	$ -	$ -	$ 641,158	$ -	$ -	$ -	$ 904,630
Endowments	-	-	-	-	-	-	-	566,971	566,971
Total Nonspendable	263,472	-	-	-	641,158	-	-	566,971	1,471,601
Restricted for:									
Road Projects	-	-	-	-	3,368,271	-	-	-	3,368,271
Public Protection	4,754,807	-	-	-	-	-	-	-	4,754,807
Public Assistance	3,563,156	-	-	-	-	-	-	-	3,563,156
Health Services	396,325	-	-	-	-	-	-	10,501,588	10,897,913
Mental Health	-	-	-	5,149,165	-	26,951,085	4,981,496	-	37,081,746
Special Districts	-	-	-	-	-	-	-	1,621,113	1,621,113
Various Grant Programs	-	-	-	-	-	-	-	7,659,557	7,659,557
Debt Service	-	2,004,034	8,067,650	-	-	-	-	-	10,071,684
Total Restricted	8,714,288	2,004,034	8,067,650	5,149,165	3,368,271	26,951,085	4,981,496	19,782,258	79,018,247
Assigned:									
Retirement	4,500,000	-	-	-	-	-	-	-	4,500,000
General reserve	12,287,010	-	-	-	-	-	-	-	12,287,010
Contracted services	33,616,941	-	-	-	-	-	-	1,121,471	34,738,412
Total Assigned	50,403,951	-	-	-	-	-	-	1,121,471	51,525,422
Unassigned	21,605,163	-	-	-	-	-	(16,367,505)	-	5,237,658
Total Fund Balance	$ 80,986,874	$ 2,004,034	$ 8,067,650	$ 5,149,165	$ 4,009,429	$ 26,951,085	$ (11,386,009)	$ 21,470,700	$ 137,252,928

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Prior Period Adjustment

Adjustments resulting from errors are treated as prior period adjustments. Accordingly, the County reports these changes as restatements of beginning fund balance / net position. Restatements as of the beginning of the fiscal year were made to correct the reporting of prior year expenses.

The impact of the restatements on net position as previously reported is presented below:

	Government-wide Statements	Governmental Fund Statements		
	Governmental Activities	General Fund	Road	Special Districts Other
Net position as of June 30, 2020, as previously reported	$ 19,647,104	$ 70,349,373	$ 4,713,618	$ 376,952
Cumulative Effect of Change in Accounting Principle				
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	3,421,914	2,689,703	270,775	461,436
Total prior period adjustments	3,421,914	2,689,703	270,775	461,436
Net position as of July 1, 2020	$ 23,069,018	$ 73,039,076	$ 4,984,393	$ 838,388

	Fiduciary Fund Statements	
	Investment Trust Funds	Custodial Funds
Net position as of June 30, 2020, as previously reported	$ 196,546,975	$ -
Cumulative Effect of Change in Accounting Principle		
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	9,568,812	14,860,848
Total prior period adjustments	9,568,812	14,860,848
Net position as of July 1, 2020	$ 206,115,787	$ 14,860,848

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.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans

Plan Descriptions

The Mendocino County Employees' Retirement Association is a cost-sharing multiple-employer defined benefit pension plan serving the employees of the County of Mendocino and two special districts. The Association was established under the County Employees Retirement Act of 1937, as amended. The plan is totally controlled and governed by a nine-member retirement board and is available to essentially all full-time employees of the County and certain special districts. Members of the board are appointed as follows: four members are appointed by the Board of Supervisors, two members are elected by general county employees, one member is elected by safety county employees, two members are elected by county retirees, one alternate, and one member is the County Treasurer who is an ex-officio board member and administrator of the retirement system.

Benefits Provided

MCERA provides service retirement, disability, death, and survivor benefits to eligible employees. All permanent employees of the County or contracting districts who work at least 32 hours per week become members of MCERA effective on the first day of the pay period following employment. There are separate retirement plans for General, Safety, and Probation member employees. Any new employees who become members on or after January 1, 2013 are subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. General members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit, or age 70, regardless of service.

Safety and Probation members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. Safety and Probation members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit, or age 70, regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Benefits Provided (Continued)

General member benefits are calculated pursuant to the provisions of Section 31676.121. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times the age factor from Section 31676.12. General member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of Section 31664.2. The monthly allowance is equal to 3% of final compensation times years of accrued retirement service credit times the age factor from Section 31664.2. Safety member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Probation member benefits are calculated pursuant to the provisions of Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times the age factor from Section 31664.

Probation member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation.

Final average compensation consists of the highest 12 consecutive months of pay for a General Tier 1, Safety Tier 1, or Probation Tier 1 member, and the highest 36 consecutive months for all other members.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

MCERA provides an annual cost-of-living benefit to all non-PEPRA retirees. The cost-of-living adjustment, based upon the Consumer Price Index prepared by the Bureau of Labor Statistics that applies to the Mendocino County Area, is capped at 3.0%.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Contributions

The County and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from MCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2020 for 2020-2021 (based on the June 30, 2020 valuation) was 34.56% of compensation. The actual employer rate depends on General, Safety, or Probation membership, and tier.

All members are required to make contributions to MCERA regardless of the retirement plan or tier in which they are included; however, non-PEPRA members with 30 or more years of service are exempt from paying member contributions. The average member contribution rate as of June 30, 2020 for 2020-2021 (based on the June 30, 2020 valuation) was 9.44% of compensation. The actual member rate depends on the member's age at the time of hire, General, Safety, or Probation membership, and tier.

The member and employer contribution rates are adjusted annually to maintain the appropriate funding status of the Plan. The employer contribution rate is actuarially determined to provide for the balance of the contributions needed to fund the annual normal cost (basic and cost of living) and the amortization of the unfunded actuarial accrued liability.

For the year ended June 30, 2021, the contributions for the Plan was as follows:

Contributions - Employer	$ 25,478,430

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the County reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	$ 247,246,342

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The County's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30,2020. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	96.25%
Proportion - June 30, 2020	96.26%
Change - Increase (Decrease)	0.004%

For the year ended June 30, 2021, the County recognized net pension expense of $14,977,727. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 4,132,622	$ 41,617
Changes in Assumptions	9,471,410	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,897,585	-
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions	58,091	-
County's Contributions Subsequent to the Measurement Date	25,478,430	-
Total	$ 54,038,138	$ 41,617

The County reported $25,478,430 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Amount
2022	$ 6,795,893
2023	10,090,489
2024	7,361,505
2025	4,270,204
Total	28,518,091

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase	4.00% – 8.50%, based on years of service (1)
Investment Rate of Return	7.00%
Mortality	Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set back one year for males and set forward one year for females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016

(1) Includes inflation at 3.00% plus across the board salary increases of 0.50% plus merit and promotion increases.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a April 14, 2017 actuarial experience study for the period July 1, 2013 – June 30, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	24.7 %	5.49 %
U.S. Small Cap Equity	12.3	6.10
Global Equity	25.0	6.84
Domestic Fixed Income	21.0	1.09
Real Estate	11.0	4.59
Infrastructure	6.0	5.30
Total	100.0 %	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the County's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

One Percent Decrease	5.75%
Net Pension Liability	$ 348,328,842
Current Discount Rate	6.75%
Net Pension Liability	$ 247,246,342
One Percent Increase	7.70%
Net Pension Liability	$ 164,104,400

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued MCERA financial report.

NOTE 10 CONTINGENCIES

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. County Counsel had indicated that probable potential claims against the County are $50,000 to $100,000, while possible potential claims against the County range in the area of $1,000,000. The general liability self-insurance program would cover probable claims losses for which adequate reserves have been maintained.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 11 RISK MANAGEMENT

The County has four risk management funds (Internal Service Funds) to administer the County's insurance programs that are fully self-insured, partially self-insured, or fully funded. Fund revenues are primarily premium charges to other departments and funds, and are planned to equal estimated expenses resulting from the self-insurance programs including claims expenses, liability insurance coverage in excess of the self-insured retention amounts, and other operating expenses. Liability for unpaid claims is subject to change due to future re-estimations of claims by program administrators, inflation, and changes in laws and regulations. The primary activities of the funds consist of risk management programs related to the following:

A. Unemployment Insurance

The County is fully self-insured for this program. The estimated claims liability at fiscal year-end was $789,722.

B. General Liability Insurance

The County maintains a self-insured retention (SIR) of $200,000 per occurrence for this program. Losses which exceed the SIR are covered by excess insurance obtained through CSAC-Excess Insurance Authority.

This program is the only insurance program administered without the benefit of a third party administrator.

NOTE 11 RISK MANAGEMENT (CONTINUED)

B. General Liability Insurance (Continued)

The administration of this program is a joint effort between the Risk Management Division and the Office of the County Counsel. The liability for unpaid claims was based on actual outstanding claims at June 30, 2021, plus an amount for "incurred but not reported claims." The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The liability of $1,073,771 includes incurred but not reported claims.

C. Workers' Compensation

The County elected to become fully insured through CSAC-Excess Insurance Authority on July 1, 1997.

D. Health Insurance

The County is fully self-insured and administers the program. The County has hired Keenan Associates as a health plan consultant/actuary to review the health plan on an annual basis, and determine by how much County and employee share in premiums should be increased. The estimated claims liability at fiscal year-end was $2,571,698.

Changes in the fund's claims liability amount for the past two years were:

	Unemployment Insurance	General Liability	Health Insurance	Total
Claims Liability, July 1, 2019	$ 455,859	$ 855,523	$ 2,339,782	$ 3,651,164
Current Year Claims and Changes in Estimates	495,808	171,587	16,903,621	17,571,016
Claims Payments	(155,884)	(154,765)	(16,262,523)	(16,573,172)
Claims Liability, June 30, 2020	$ 795,783	$ 872,345	$ 2,980,880	$ 4,649,008
Claims Liability, July 1, 2020	$ 795,783	$ 872,345	$ 2,980,880	$ 4,649,008
Current Year Claims and Changes in Estimates	400,712	814,227	14,791,594	16,006,533
Claims Payments	(406,773)	(612,801)	(15,200,776)	(16,220,350)
Claims Liability, June 30, 2021	$ 789,722	$ 1,073,771	$ 2,571,698	$ 4,435,191

NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following funds reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2021:

Fund	Amount in Excess
Special Districts Lighting	$ 4,665
Special District Other	22,766
Inter-Governmental Transfers	200,842
Whole Person Care	569,541

NOTE 13 DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2021:

Fund	Deficit
Other Governmental Funds:	
Disaster Recovery	$ (11,386,009)
Internal Service Funds:	
Unemployment Insurance	(96,832)
Health Insurance	(3,674,315)

These deficits are expected to be eliminated through receipts of grants, charges for services or transfers from the General Fund over time.

REQUIRED SUPPLEMENTARY INFORMATION

MENDOCINO
1850
COUNTY

COUNTY OF MENDOCINO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)						
	June 30, 2021 *(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	96.26%	96.25%	96.23%	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	$ 247,246,342	$ 206,708,080	$ 190,043,076	$ 186,099,824	$ 193,097,508	$ 154,924,361	$ 130,705,221
County's Covered Payroll	$ 68,592,195	$ 65,111,855	$ 61,443,717	$ 56,534,158	$ 54,492,771	$ 51,937,992	$ 50,778,344
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	360.46%	317.47%	309.30%	329.18%	354.35%	298.29%	257.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.70%	71.30%	72.49%	71.23%	67.45%	72.78%	75.68%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Schedule of the County's Contributions

Last 10 Fiscal Years*

	Reporting Fiscal Year						
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	$ 25,478,430	$ 23,515,845	$ 22,826,962	$ 19,650,882	$ 18,209,544	$ 17,950,331	$ 14,139,041
Contributions Related to the Actuarially Determined Contribution	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	$ 69,964,039	$ 68,592,195	$ 65,111,855	$ 61,443,717	$ 56,534,158	$ 54,492,771	$ 51,937,992
Contributions as a Percentage of Covered Payroll	36.42%	34.28%	35.06%	31.98%	32.21%	32.94%	27.22%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 81,802,155	$ 83,802,155	$ 92,165,453	$ 8,363,298
Licenses and Permits	5,292,458	5,292,458	4,961,346	(331,112)
Fines, Forfeits, and Penalties	1,314,614	1,334,614	916,522	(418,092)
Revenue From Use of Money and Property	1,100,020	1,128,757	761,016	(367,741)
Intergovernmental	114,087,194	125,433,935	100,836,364	(24,597,571)
Charges for Services	12,921,494	13,080,561	12,346,360	(734,201)
Other Revenue	1,408,739	1,408,739	1,742,247	333,508
Total Revenues	217,926,674	231,481,218	213,729,308	(17,751,910)
EXPENDITURES				
Current:				
General government:				
Assessor	1,842,544	1,842,544	1,600,746	241,798
Auditor-Controller	1,449,984	1,469,984	1,547,288	(77,304)
Board Of Supervisors	819,335	848,585	835,069	13,516
Buildings & Grounds	4,130,954	4,190,123	4,474,708	(284,585)
Clerk Of The Board	553,656	553,656	532,775	20,881
County Clerk	277,830	277,830	280,041	(2,211)
County Clerk-Election	512,495	741,532	642,260	99,272
County Counsel	1,296,935	1,346,935	1,472,226	(125,291)
County Executive Office	1,234,650	1,384,650	1,224,133	160,517
County Garage	28,000	13,000	22,017	(9,017)
Economic Development	567,371	567,371	825,041	(257,670)
Employee Wellness/Assistance	48,776	48,776	40,914	7,862
Engineering & Technical Assist	1,101,268	1,254,387	1,091,346	163,041
General Services	459,642	469,637	477,459	(7,822)
Human Resources	950,508	1,023,772	989,702	34,070
Information Services	3,751,662	3,781,426	3,320,880	460,546
Miscellaneous Budget	2,415,298	5,876,730	1,966,997	3,909,733
Nondepartmental Revenue	(3,275,153)	(3,275,153)	(3,203,410)	(71,743)
Property Characteristics	91,687	91,687	-	91,687
Retirement	698,471	698,471	726,439	(27,968)
Treasurer-Tax Collector	852,289	880,065	870,877	9,188
Total general government	19,808,202	24,086,008	19,737,508	4,348,500
Public protection:				
Agriculture Dept	1,458,261	1,493,261	1,321,004	172,257
Alternate Defender	786,112	786,112	914,807	(128,695)
Animal Control	1,550,621	1,550,621	1,342,117	208,504
Cannabis Management	822,172	937,172	639,379	297,793
Child Support Services	2,745,024	2,653,941	2,166,787	487,154
Courts-Ab233 Program	1,303,668	1,303,668	1,176,951	126,717
District Attorney	5,690,369	5,722,259	6,802,353	(1,080,094)
Emergcy Svc Cd Safety	403,399	510,914	374,374	136,540
Fire	600,000	600,000	740,929	(140,929)
Grand Jury	89,600	89,600	38,522	51,078
Indigent Defense	350,000	350,000	352,885	(2,885)
Juvenile Hall	2,467,075	2,467,075	2,256,516	210,559
Mendocino County Jail	14,863,030	15,156,040	15,258,741	(102,701)
Mendocino County Sheriff	21,147,209	21,394,476	23,130,387	(1,735,911)
Mobile Spay/Neuter	139,552	139,552	70,702	68,850
Planning & Building Services	6,348,632	6,348,632	5,086,660	1,261,972
Planning & Building Spec Proj	505,000	590,000	35,663	554,337
Probation Officer	5,925,063	6,016,702	5,791,436	225,266
Public Defender	2,513,207	2,513,207	3,447,975	(934,768)
Total public protection	69,707,994	70,623,232	70,948,188	(324,956)

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public ways and facilities:				
DOT - Mendocino Cty Airport	$ 12,115,115	$ 12,115,115	$ 175,199	$ 11,939,916
DOT - Round Valley Airport	637,561	790,395	605,635	184,760
Total public ways and facilities	12,752,676	12,905,510	780,834	12,124,676
Health and sanitation:				
Alcohol/Other Drug Program	2,657,775	3,604,594	2,660,527	944,067
Emergency Medical Services	1,479,641	1,479,641	152,174	1,327,467
Employee Wellness/Assistance	353,757	353,757	286,948	66,809
Environmental Health	3,023,605	3,023,605	2,242,207	781,398
Hospital /Medical Services	276,000	276,000	159,708	116,292
Landfill Closure	1,824,774	1,824,774	508,738	1,316,036
Mendocino County Solid Waste	247,313	247,313	326,604	(79,291)
Public Health	3,219,532	6,786,475	5,911,119	875,356
Public Health Nursing	2,867,285	2,867,285	1,836,397	1,030,888
Public Health-Ccs	1,079,159	1,079,159	682,690	396,469
Transitional Housing	-	600,000	315,584	284,416
Total health and sanitation	17,028,841	22,142,603	15,082,696	7,059,907
Public assistance:				
Calworks/Foster Care	25,836,780	25,836,780	22,171,814	3,664,966
General Relief	585,812	585,812	523,460	62,352
Health & Human Services Admin	311,959	311,959	244,556	67,403
In Home Support Services	5,584,250	5,584,250	5,878,759	(294,509)
Social Services	53,709,265	53,777,105	48,004,038	5,773,067
Total public assistance	86,028,066	86,095,906	76,822,627	9,273,279
Education:				
Farm Advisor	242,257	242,257	191,424	50,833
Total education	242,257	242,257	191,424	50,833
Recreation and culture:				
Mendocino Cnty Museum	609,460	688,197	561,138	127,059
Total recreation and culture	609,460	688,197	561,138	127,059
Debt Service:				
Principal	4,400,000	4,400,000	4,761,819	(361,819)
Interest and Fiscal Charges	500,000	500,000	36,753	463,247
Total debt service	4,900,000	4,900,000	4,798,572	101,428
Capital Outlay:				
Capital Improvements	5,501,516	10,833,627	3,223,702	7,609,925
Total capital outlay	5,501,516	10,833,627	3,223,702	7,609,925
Total expenditures	216,579,012	232,517,340	192,146,689	40,370,651
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,347,662	(1,036,122)	21,582,619	22,618,741
OTHER FINANCING SOURCES (USES)				
Transfers In	4,868,484	12,525,901	6,974,531	(5,551,370)
Transfers Out	(11,472,855)	(26,604,438)	(20,609,352)	5,995,086
Total Other Financing Sources (Uses)	(6,604,371)	(14,078,537)	(13,634,821)	443,716
NET CHANGE IN FUND BALANCES	(5,256,709)	(15,114,659)	7,947,798	23,062,457
Budgetary Fund Balances - Beginning of Year	73,039,076	73,039,076	73,039,076	-
BUDGETARY FUND BALANCES - END OF YEAR	$ 67,782,367	$ 57,924,417	$ 80,986,874	$ 23,062,457

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021

Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balance

Total Revenues from the Budgetary Comparison Schedule	$ 213,729,308
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports a portion of the disbursement as a reduction of the taxes revenue.	(4,761,819)
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 208,967,489
Total expenditures from the budgetary comparison schedule	$ 192,146,689
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,924,491)
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports the disbursement as a reduction of taxes revenue.	(4,761,819)
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 180,460,379

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ (27,416)	$ (27,416)	$ 4,696	$ 32,112
Intergovernmental	27,200,721	27,300,721	25,752,998	(1,547,723)
Charges for Services	930,370	930,370	1,918,576	988,206
Other Revenues	150,150	150,150	112,286	(37,864)
Total Revenues	28,253,825	28,353,825	27,788,556	(565,269)
EXPENDITURES				
Current:				
Health and Sanitation	29,159,932	29,303,285	25,005,874	4,297,411
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(906,107)	(949,461)	2,782,682	3,732,143
OTHER FINANCING SOURCES (USES)				
Transfers In	755,386	909,416	300,000	(609,416)
Transfers Out	(592,425)	(592,425)	(233,779)	358,646
Total Other Financing Sources (Uses)	162,961	316,991	66,221	(250,770)
NET CHANGE IN FUND BALANCES	(743,146)	(632,470)	2,848,903	3,481,373
Fund Balances - Beginning of Year	2,300,262	2,300,262	2,300,262	-
FUND BALANCES - END OF YEAR	$ 1,557,116	$ 1,667,792	$ 5,149,165	$ 3,481,373

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – ROAD FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 54,000	$ 66,000	$ 52,319	$ (13,681)
Licenses, Permits, and Franchises	56,000	56,000	157,801	101,801
Revenue From Use of Money and Property	70,000	70,000	(78,136)	(148,136)
Fines, Forfeitures, and Penalties	40,000	40,000	32,615	(7,385)
Intergovernmental	24,352,817	24,491,817	16,036,616	(8,455,201)
Charges for Services	78,726	78,726	291,268	212,542
Other Revenues	18,000	18,000	13,318	(4,682)
Total Revenues	24,669,543	24,820,543	16,505,801	(8,314,742)
EXPENDITURES				
Current:				
Public Ways and Facilities	31,807,859	32,348,794	21,024,918	11,323,876
Total Expenditures	31,807,859	32,348,794	21,024,918	11,323,876
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,138,316)	(7,528,251)	(4,519,117)	3,009,134
OTHER FINANCING SOURCES (USES)				
Transfers In	3,766,860	3,981,757	3,981,757	1
Transfers Out	-	(55,150)	(437,604)	(382,454)
Total Other Financing Sources (Uses)	3,766,860	3,926,607	3,544,153	(382,454)
NET CHANGE IN FUND BALANCES	(3,371,456)	(3,601,645)	(974,964)	2,626,681
Fund Balances - Beginning of Year	4,984,393	4,984,393	4,984,393	-
FUND BALANCES - END OF YEAR	$ 1,612,937	$ 1,382,748	$ 4,009,429	$ 2,626,681

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH TREATMENT FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 8,500,000	$ 8,500,000	$ 10,848,181	$ 2,348,181
Revenue From Use of Money and Property	200,000	200,000	72,107	(127,893)
Total Revenues	8,700,000	8,700,000	10,920,288	2,220,288
EXPENDITURES				
Current:				
Health and Sanitation	286,575	294,985	159,834	135,151
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,413,425	8,405,015	10,760,454	2,220,288
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,706,600)	(2,706,600)	(2,328,153)	378,447
NET CHANGE IN FUND BALANCES	5,706,825	5,698,415	8,432,301	2,598,735
Fund Balances - Beginning of Year	18,518,784	18,518,784	18,518,784	-
FUND BALANCES - END OF YEAR	$ 24,225,609	$ 24,217,199	$ 26,951,085	$ 2,598,735

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DISASTER RECOVERY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 9,544,371	$ 17,015,856	$ 13,901,273	$ (3,114,583)
Other Revenues	-	-	5,600	5,600
Total Revenues	9,544,371	17,015,856	13,906,873	(3,108,983)
EXPENDITURES				
Current:				
Public Protection	10,962,734	11,737,734	5,707,961	6,029,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,418,363)	5,278,122	8,198,912	2,920,790
OTHER FINANCING SOURCES (USES)				
Transfers In	1,778,285	2,426,745	2,426,745	-
Transfers Out	-	(7,480,485)	(20,475,700)	(12,995,215)
Total Other Financing Sources (Uses)	1,778,285	(5,053,740)	(18,048,955)	(12,995,215)
NET CHANGE IN FUND BALANCES	359,922	224,382	(9,850,043)	(10,074,425)
Fund Balances - Beginning of Year	(1,535,966)	(1,535,966)	(1,535,966)	-
FUND BALANCES - END OF YEAR	$ (1,176,044)	$ (1,311,584)	$ (11,386,009)	$ (10,074,425)

See accompanying Notes to Required Supplementary Information.

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all governmental funds. The legal level of control for appropriations is at the budget unit level. Appropriations at this level may only be changed with the approval of the Board. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and is amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end.

Budgets are adopted for the General Fund, Debt Service Funds, and most Special Revenue Funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. Budgets were not legally adopted for the following Special Revenue Funds: the Special Aviation Fund, the Supplemental Law Enforcement Fund, the Sheriff Special Projects Fund, and the Endowment Fund.

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SUPPLEMENTARY INFORMATION

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OTHER BUDGETARY SCHEDULES

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COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 30,000	$ 30,000	$ 35,703	$ 5,703
Revenue From Use of Money and Property	(8,000)	(8,000)	(4,710)	3,290
Fines, Forfeitures, and Penalties	12,000	12,000	7,800	(4,200)
Total Revenues	34,000	34,000	38,793	4,793
EXPENDITURES				
Current:				
General Government	3,600	3,600	3,425	175
Debt Service:				
Principal	1,230,000	1,230,000	1,230,000	-
Interest	635,500	635,500	635,498	2
Total Expenditures	1,869,100	1,869,100	1,868,923	177
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,835,100)	(1,835,100)	(1,830,130)	4,970
OTHER FINANCING SOURCES (USES)				
Transfers In	1,835,100	1,835,100	1,835,100	-
NET CHANGE IN FUND BALANCES	-	-	4,970	4,970
Fund Balances - Beginning of Year	1,999,064	1,999,064	1,999,064	-
FUND BALANCES - END OF YEAR	$ 1,999,064	$ 1,999,064	$ 2,004,034	$ 4,970

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ (58,000)	$ (58,000)	$ (32,537)	$ 25,463
Other Revenues	-	-	467,342	467,342
Total Revenues	(58,000)	(58,000)	434,805	492,805
EXPENDITURES				
Current:				
General Government	4,000	4,000	3,649	351
Debt Service:				
Principal	5,440,000	5,440,000	5,440,000	-
Interest	2,408,750	2,408,750	2,408,750	-
Total Expenditures	7,852,750	7,852,750	7,852,399	351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,910,750)	(7,910,750)	(7,417,594)	493,156
OTHER FINANCING SOURCES (USES)				
Transfers In	7,910,750	7,910,750	7,841,170	(69,580)
NET CHANGE IN FUND BALANCES	-	-	423,576	423,576
Fund Balances - Beginning of Year	7,644,074	7,644,074	7,644,074	-
FUND BALANCES - END OF YEAR	$ 7,644,074	$ 7,644,074	$ 8,067,650	$ 423,576

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. The County has the following types of non-major special revenue funds:

- **LIBRARY**
  This fund provides library services for all residents and visitors to this beautiful County. The Mendocino County Library System consists of five branches located in Ukiah, Fort Bragg, Willits, Covelo, and Point Arena along with the Bookmobile that provides services to outlying areas. Libraries are community centers and the branches greatly reflect the dynamic and unique communities that support and utilize its many services.

- **FISH AND GAME**
  The County of Mendocino has a Fish and Wildlife Propagation Fund, which represents a portion of fines imposed by the Superior Court of Mendocino County for Fish and Game violations. Funds support the Fish and Game Commission in monitoring the status of fish, game, and wildlife in the County, identifying threats, and advising the Board on relevant issues and activities. Funds also support public education and research, community-based activities to improve fish and wildlife habitat, and County representation within and outside the county.

- **SPECIAL AVIATION**
  This Special Revenue fund accounts for State and Federal Grants and Aid for Little River and Round Valley airports, which provide facilities for general aviation and serves the air transport needs for northern Mendocino County (Round Valley), the Mendocino County coast (Little River), the California Aviation System and the National Integrated Airport System. Little River and Round Valley airports additionally function as incident command centers/disaster relief staging centers for emergencies, including medical evacuation and major fire, severe storm or earthquake events.

- **SUPPLEMENTAL LAW ENFORCEMENT**
  The Supplemental Law Enforcement Services Fund (SLESF) supports COPS (Citizen's Options for Public Safety) and is established in each County pursuant to California Government Code §30061-30065. This fund also provides for one of the two allocated positions within the Sheriff's Office to assist in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **COPS AB 1913**
  COPS (Citizen's Options for Public Safety) is funded by the Supplemental Law Enforcement Services Fund (SLESF). The fund is established in each County pursuant to California Government Code §30061-30065. The formula for allocating COPS funds is as follows:

  1. 5.15% to the County Sheriff for County Jail construction and operations;
  2. 5.15% to the District Attorney's Office for criminal prosecutions;
  3. 39.7% to the County and the cities within the County, for supplemental front-line law enforcement services; and
  4. 50% to the County for implementation of a comprehensive, multi-agency juvenile justice plan.

This budget unit provides funding for one of the two allocated positions within the Sheriff's Office, the Sheriff's Technology Specialist, who assists in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **SHERIFF SPECIAL PROJECTS**
  The Sheriff Office occasionally receives donations from individuals, service clubs and other agencies. The donations may be for unrestricted use or restricted for a specific purpose (memorials, K-9 Program). The Sheriff Special Projects fund is used to account for the receipt and disbursement of these funds.

- **RECORDER MODERNIZATION**
  Revenues to this fund are provided through fee collection at the time of recording. The overall mission of the Recorder's Modernization fund is to modernize creation, retention and retrieval of the Clerk-Recorder's records, including the restoration of early handwritten records and entering them into the County's computer system.

- **MICROGRAPHICS**
  This special revenue fund further supports the Micrographic Division of the Assessor-Clerk Recorder's Office with regard to micrographic reproductions of County records, and retention and retrieval of Clerk-Recorder's records.

- **MISCELLANEOUS GRANTS**
  Miscellaneous non-departmental grants applied for and received by the County of Mendocino that are used to address and/or support a specified (restricted) need or activity.

- **SPECIAL DISTRICTS LIGHTING**
  There are currently eleven special lighting districts. These districts are funded by secured and unsecured property tax revenues for the purpose of installing street lights in the related district.

- **SPECIAL DISTRICTS OTHER**
  There are currently three other special districts as follows:

  1. AIR QUALITY MANAGEMENT DISTRICT
     The Air Quality Management District (AQMD) has the primary responsibility for the monitoring and control of air pollution from all stationary sources within the boundaries of Mendocino County, including the four incorporated cities. The District is funded by permit fees, motor vehicle fees, state subvention funds, and state and federal grants. The funds support the District's mission to protect air quality, improve levels of service to the public, the regulated community and other agencies, while at the same time striving to reduce and control costs.

  2. MEADOWBROOK SANITATION DISTRICT
     The district is funded by secured and unsecured property tax revenues for the purpose of supporting the sanitation facility in that district.

  3. MENDOCINO COUNTY WATER AGENCY
     Mendocino County Water Agency (MCWA) is a Special District governed by the Board of Supervisors, sitting as the Board of Directors. MCWA revenue is generated from a tax that was established in 1971, which does not exceed $0.06 per $100 of assessed valuation. The Water Agency provides project management and compliance for and with the following:

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 (HHSA) maximizes realignment funds by participating in the Inter-Governmental Transfer (IGT) opportunity with Partnership HealthPlan of California (PHC) to access additional Medi-Cal funding to provide services to Medi-Cal eligible beneficiaries. This fund accounts for the realignment health services funds and other federal funds awarded to support the health and wellbeing of Medi-Cal beneficiaries throughout Mendocino County.

- **WHOLE PERSON CARE**
  The Whole Person Care fund accounts for Medi-Cal 2021 grants, awarded through California's Section 115(a) Medicaid Waiver, for the Health and Human Services Agency's Whole Person Care Pilot Program, which aims to improve the wellbeing of Mendocino County residents experiencing mental illness, social isolation and/or poor health through enhanced inter-agency collaboration, peer support, and care coordination.

CAPITAL PROJECTS

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types. The County has the following types of non-major capital projects funds:

1. CAPITAL IMPROVEMENTS (BU 1710)
   The Capital Improvement Fund provides monies for facility enhancements and large-scale maintenance projects, such as roof replacements, parking lot repairs, and heating and cooling upgrades and significant repairs or remodels. These funds also provide for compliance with the Americans with Disabilities Act (ADA) to plan and complete retrofits for the removal of barriers to disabled access in County facilities.

2. CAPITAL PROJECTS (BU 1712)
This fund provides for the construction of major capital facilities projects. Currently, these funds are reserved exclusively for the upcoming expansion project at the Mendocino County Jail. Over the past several of years the Board has set aside $1 million to be used for local cash match for the project. In 2017, the Bureau of State and Community Corrections (BSCC) announced that Mendocino County was conditionally awarded $25 million in lease revenue bond funding to expand the local jail. This project will take several years to complete, and is currently projected to be ready for occupancy in 2021. No other capital projects will be administered through this budget unit until the jail project is completed.

PERMANENT FUNDS

Permanent funds are used to account for resources that cannot be expended, but must be held in perpetuity. Funds are invested and only earnings, not principal, may be used for a specified purpose. The County has the following types of non-major permanent funds:

- **ENDOWMENT FUNDS**
There are several types of endowment funds. Term endowment funds have a built-in stipulation that either part or all of the principal may be used only after a pre-established period has elapsed. Unrestricted endowment funds can be used in any way the recipient chooses. Restricted endowment funds may have limitations put in place by the donor.

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
ASSETS				
Cash and Investments in County Treasury	$ 1,800,738	$ 122,366	$ 155,893	$ 374,731
Imprest Cash	395	-	-	-
Accounts Receivable	494	-	-	-
Taxes Receivable	512,136	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	$ 2,313,763	$ 122,366	$ 155,893	$ 374,731
LIABILITIES				
Accounts Payable	$ 54,871	$ 108	$ -	$ -
Accrued Salaries and Benefits	116,170	-	-	6,656
Total Liabilities	171,041	108	-	6,656
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable Endowments	-	-	-	-
Restricted	2,142,722	122,258	155,893	368,075
Assigned	-	-	-	-
Total Fund Balances	2,142,722	122,258	155,893	368,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,313,763	$ 122,366	$ 155,893	$ 374,731

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
ASSETS				
Cash and Investments in County Treasury	$ 548,183	$ 57,641	$ 124,673	$ 36,749
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	2	1
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	$ 548,183	$ 57,641	$ 124,675	$ 36,750
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ 437
Accrued Salaries and Benefits	-	-	-	-
Total Liabilities	-	-	-	437
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	548,183	57,641	124,675	36,313
Assigned	-	-	-	-
Total Fund Balances	548,183	57,641	124,675	36,313
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 548,183	$ 57,641	$ 124,675	$ 36,750

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter-governmental Transfer
ASSETS				
Cash and Investments in County Treasury	$ 3,713,758	$ 568,067	$ 1,197,642	$ 11,287,418
Imprest Cash	-	-	200	-
Accounts Receivable	606,172	-	141,938	-
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	361,251	-	137,943	-
Total Assets	$ 4,681,181	$ 568,067	$ 1,477,723	$ 11,287,418
LIABILITIES				
Accounts Payable	$ 486,869	$ 3,860	$ 123,873	$ 1,654,499
Accrued Salaries and Benefits	90,515	-	37,479	-
Total Liabilities	577,384	3,860	161,352	1,654,499
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	259,465	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	4,103,797	564,207	1,056,906	9,632,919
Assigned	-	-	-	-
Total Fund Balances	4,103,797	564,207	1,056,906	9,632,919
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,681,181	$ 568,067	$ 1,477,723	$ 11,287,418

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue		Permanent Fund	
	Whole Person Care	Capital Projects	Endowment Funds	Total
ASSETS				
Cash and Investments in County Treasury	$ 1,394,699	$ 1,888,372	$ 566,971	$ 23,837,901
Imprest Cash	-	-	-	595
Accounts Receivable	750,202	-	-	1,498,809
Taxes Receivable	-	-	-	512,136
Due From Other Governmental Agencies	-	-	-	499,194
Total Assets	$ 2,144,901	$ 1,888,372	$ 566,971	$ 26,348,635
LIABILITIES				
Accounts Payable	$ 512,721	$ 766,901	$ -	$ 3,604,139
Accrued Salaries and Benefits	13,309	-	-	264,129
Total Liabilities	526,030	766,901	-	3,868,268
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	750,202	-	-	1,009,667
FUND BALANCE				
Nonspendable	-	-	566,971	566,971
Restricted	868,669	-	-	19,782,258
Assigned	-	1,121,471	-	1,121,471
Total Fund Balances	868,669	1,121,471	566,971	21,470,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,144,901	$ 1,888,372	$ 566,971	$ 26,348,635

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
REVENUES				
Taxes	$ 2,870,111	$ -	$ -	$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	85,341	-	-	193,226
Revenue From Use of Money and Property	7,768	(11)	(1,212)	395
Fines, Forfeitures, and Penalties	-	4,241	-	-
Charges for Services	38,458	-	-	-
Other Revenue	713	-	-	-
Total Revenues	3,002,391	4,230	(1,212)	193,621
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	5,430	-	150,370
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,366,356	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	3,366,356	5,430	-	150,370
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(363,965)	(1,200)	(1,212)	43,251
OTHER FINANCING SOURCES (USES)				
Transfers In	1,408,238	-	-	-
Transfers Out	(119,523)	-	-	(5,990)
Total Other Financing Sources (Uses)	1,288,715	-	-	(5,990)
NET CHANGE IN FUND BALANCES	924,750	(1,200)	(1,212)	37,261
Fund Balances - Beginning of Year, Restated	1,217,972	123,458	157,105	330,814
FUND BALANCES - END OF YEAR	$ 2,142,722	$ 122,258	$ 155,893	$ 368,075

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	236,761	-	-	-
Revenue From Use of Money and Property	1,216	(266)	484	266
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	108,828	21,580
Other Revenue	-	1,144	-	19,803
Total Revenues	237,977	878	109,312	41,649
EXPENDITURES				
Current:				
General Government	-	-	54,223	5,249
Public Protection	134,788	39,275	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	134,788	39,275	54,223	5,249
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,189	(38,397)	55,089	36,400
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	103,189	(38,397)	55,089	36,400
Fund Balances - Beginning of Year, Restated	444,994	96,038	69,586	(87)
FUND BALANCES - END OF YEAR	$ 548,183	$ 57,641	$ 124,675	$ 36,313

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter-governmental Transfer
REVENUES				
Taxes	$ -	$ 88,000	$ 170,728	$ -
Licenses, Permits, and Franchises	-	-	358,205	-
Aid from other governmental agencies	5,416,991	606	1,645,651	6,621,450
Revenue From Use of Money and Property	(66,939)	(3,930)	650	(67,941)
Fines, Forfeitures, and Penalties	11,598	-	5,349	-
Charges for Services	216,210	-	21,722	96,717
Other Revenue	11,672	-	645	-
Total Revenues	5,589,532	84,676	2,202,950	6,650,226
EXPENDITURES				
Current:				
General government	123,277	-	-	-
Public protection	970,770	-	997,260	-
Public ways and facilities	-	51,665	-	-
Health and sanitation	7,461,820	-	914,167	15,287,967
Public assistance	109,646	-	-	-
Education	-	-	-	-
Recreation and Culture	376	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	8,665,889	51,665	1,911,427	15,287,967
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,076,357)	33,011	291,523	(8,637,741)
OTHER FINANCING SOURCES (USES)				
Transfers In	158,719	-	94,000	11,576,837
Transfers Out	(521,057)	-	(167,005)	(2,707,244)
Total Other Financing Sources (Uses)	(362,338)	-	(73,005)	8,869,593
NET CHANGE IN FUND BALANCES	(3,438,695)	33,011	218,518	231,852
Fund Balances - Beginning of Year, Restated	7,542,492	531,196	838,388	9,401,067
FUND BALANCES - END OF YEAR	$ 4,103,797	$ 564,207	$ 1,056,906	$ 9,632,919

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue		Permanent Fund	
	Whole Person Care	Capital Projects	Endowment Funds	Total
REVENUES				
Taxes	$ -	$ -	$ -	$ 3,128,839
Licenses, Permits, and Franchises	-	-	-	358,205
Aid from other governmental agencies	2,877,079	-	-	17,077,105
Revenue From Use of Money and Property	-	2,977	(3,805)	(130,348)
Fines, Forfeitures, and Penalties	-	-	-	21,188
Charges for Services	1,368,607	-	-	1,872,122
Other Revenue	-	-	-	33,977
Total Revenues	4,245,686	2,977	(3,805)	22,361,088
EXPENDITURES				
Current:				
General government	-	-	78,799	261,548
Public protection	-	-	-	2,297,893
Public ways and facilities	-	-	-	51,665
Health and sanitation	4,504,375	-	-	28,168,329
Public assistance	-	-	-	109,646
Education	-	-	-	3,366,356
Recreation and Culture	-	-	-	376
Capital Outlay	-	16,873,585	-	16,873,585
Total Expenditures	4,504,375	16,873,585	78,799	51,129,398
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(258,689)	(16,870,608)	(82,604)	(28,768,310)
OTHER FINANCING SOURCES (USES)				
Transfers In	981,260	16,853,897	-	31,072,951
Transfers Out	(1,901,877)	-	-	(5,422,696)
Total Other Financing Sources (Uses)	(920,617)	16,853,897	-	25,650,255
NET CHANGE IN FUND BALANCES	(1,179,306)	(16,711)	(82,604)	(3,118,055)
Fund Balances - Beginning of Year, Restated	2,047,975	1,138,182	649,575	24,588,755
FUND BALANCES - END OF YEAR	$ 868,669	$ 1,121,471	$ 566,971	$ 21,470,700

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,140,000	$ 2,140,000	$ 2,870,111	$ 730,111
Revenue From Use of Money and Property	34,954	34,954	7,768	(27,186)
Intergovernmental	-	85,341	85,341	-
Charges for Services	30,885	30,885	38,458	7,573
Other Revenues	8,800	8,800	713	(8,087)
Total Revenues	2,214,639	2,299,980	3,002,391	702,411
EXPENDITURES				
Current:				
Education	4,350,223	4,350,223	3,366,356	983,867
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,135,584)	(2,050,243)	(363,965)	1,686,278
OTHER FINANCING SOURCES (USES)				
Transfers In	1,379,826	1,379,826	1,408,238	28,412
Transfers Out	(73,000)	(73,000)	(119,523)	(46,523)
Total Other Financing Sources (Uses)	1,306,826	1,306,826	1,288,715	(18,111)
NET CHANGE IN FUND BALANCES	(828,758)	(743,417)	924,750	1,668,167
Fund Balances - Beginning of Year	1,217,972	1,217,972	1,217,972	-
FUND BALANCES - END OF YEAR	$ 389,214	$ 474,555	$ 2,142,722	$ 1,668,167

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – FISH AND GAME FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 1,700	$ 1,700	$ (11)	$ (1,711)
Fines, Forfeitures, and Penalties	10,000	10,000	4,241	(5,759)
Charges for Services	-	-	-	-
Total Revenues	11,700	11,700	4,230	(7,470)
EXPENDITURES				
Current:				
Public Protection	11,700	11,700	5,430	6,270
NET CHANGE IN FUND BALANCES	-	-	(1,200)	(1,200)
Fund Balances - Beginning of Year	123,458	123,458	123,458	-
FUND BALANCES - END OF YEAR	$ 123,458	$ 123,458	$ 122,258	$ (1,200)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – RECORDER MODERNIZATION FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 800	$ 800	$ 484	$ (316)
Charges for Services	61,000	61,000	108,828	47,828
Total Revenues	61,800	61,800	109,312	47,512
EXPENDITURES				
Current:				
General Government	52,700	54,423	54,223	200
NET CHANGE IN FUND BALANCES	9,100	7,377	55,089	47,712
Fund Balances - Beginning of Year	69,586	69,586	69,586	-
FUND BALANCES - END OF YEAR	$ 78,686	$ 76,963	$ 124,675	$ 47,712

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MICROGRAPHICS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ -	$ -	$ 266	$ 266
Charges for Services	74,819	74,819	21,580	(53,239)
Other Revenues	20,000	20,000	19,803	(197)
Total Revenues	94,819	94,819	41,649	(53,170)
EXPENDITURES				
Current:				
General Government	94,819	94,819	5,249	89,570
NET CHANGE IN FUND BALANCES	-	-	36,400	36,400
Fund Balances - Beginning of Year	(87)	(87)	(87)	-
FUND BALANCES - END OF YEAR	$ (87)	$ (87)	$ 36,313	$ 36,400

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MISCELLANEOUS GRANTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, Forfeitures, and Penalties	$ -	$ -	$ 11,598	$ 11,598
Intergovernmental	7,805,137	14,483,646	5,416,991	(9,066,655)
Revenue From Use of Money and Property	-	-	(66,939)	(66,939)
Charges for Services	(1,743,335)	(326,909)	216,210	543,119
Other Revenues	-	-	11,672	11,672
Total Revenues	6,061,802	14,156,737	5,589,532	(8,567,205)
EXPENDITURES				
Current:				
General Government	-	208,106	123,277	84,829
Public Protection	(591,767)	3,214,555	970,770	2,243,785
Health and Sanitation	6,796,988	10,984,746	7,461,820	3,522,926
Public Assistance	207,412	45,754	109,646	(63,892)
Recreation and Culture	-	-	376	(376)
Total Expenditures	6,412,633	14,453,161	8,665,889	5,787,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(350,831)	(296,424)	(3,076,357)	(2,779,557)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	105,000	158,719	53,719
Transfers Out	-	(38,726)	(521,057)	(482,331)
Total Other Financing Sources (Uses)	-	66,274	(362,338)	(428,612)
NET CHANGE IN FUND BALANCES	(350,831)	(230,150)	(3,438,695)	(3,208,169)
Fund Balances - Beginning of Year	7,542,492	7,542,492	7,542,492	-
FUND BALANCES - END OF YEAR	$ 7,191,661	$ 7,312,342	$ 4,103,797	$ (3,208,169)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS LIGHTING FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 86,685	$ 86,685	$ 88,000	$ 1,315
Intergovernmental	705	705	606	(99)
Revenue From Use of Money and Property	-	-	(3,930)	(3,930)
Total Revenues	87,390	87,390	84,676	(2,714)
EXPENDITURES				
Current:				
Public Ways and Facilities	47,000	47,000	51,665	(4,665)
NET CHANGE IN FUND BALANCES	40,390	40,390	33,011	(7,379)
Fund Balances - Beginning of Year	531,196	531,196	531,196	-
FUND BALANCES - END OF YEAR	$ 571,586	$ 571,586	$ 564,207	$ (7,379)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS OTHER FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 163,220	$ 163,220	$ 170,728	$ 7,508
Licenses, Permits, and Franchises	315,500	315,500	358,205	42,705
Revenue From Use of Money and Property	6,300	6,300	650	(5,650)
Fines, Forfeitures, and Penalties	5,000	5,000	5,349	349
Intergovernmental	1,185,220	1,185,220	1,645,651	460,431
Charges for Services	82,092	82,092	21,722	(60,370)
Other Revenues	2,550	2,550	645	(1,905)
Total Revenues	1,759,882	1,759,882	2,202,950	443,068
EXPENDITURES				
Current:				
Public Protection	739,700	789,700	997,260	(207,560)
Health and Sanitation	1,062,172	1,098,961	914,167	184,794
Total Expenditures	1,801,872	1,888,661	1,911,427	(22,766)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(41,990)	(128,779)	291,523	420,302
OTHER FINANCING SOURCES (USES)				
Transfers In	44,000	94,000	94,000	420,302
Transfers Out	-	(123,460)	(167,005)	(43,545)
Total Other Financing Sources (Uses)	44,000	(29,460)	(73,005)	376,757
NET CHANGE IN FUND BALANCES	2,010	(158,239)	218,518	797,060
Fund Balances - Beginning of Year	838,388	838,388	838,388	-
FUND BALANCES - END OF YEAR	$ 840,398	$ 680,149	$ 1,056,906	$ 797,060

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – INTER-GOVERNMENTAL TRANSFERS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 6,405,479	$ 6,405,479	$ 6,621,450	$ 215,971
Revenue From Use of Money and Property	-	-	(67,941)	(67,941)
Charges for Services	-	-	96,717	96,717
Total Revenues	6,405,479	6,405,479	6,650,226	215,971
EXPENDITURES				
Current:				
Health and Sanitation	3,062,192	15,087,125	15,287,967	(200,842)
Total Expenditures	3,062,192	15,087,125	15,287,967	(200,842)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,343,287	(8,681,646)	(8,637,741)	15,129
OTHER FINANCING SOURCES (USES)				
Transfers In	-	715,180	11,576,837	10,861,657
Transfers Out	(2,825,000)	(2,825,000)	(2,707,244)	117,756
Total Other Financing Sources (Uses)	(2,825,000)	(2,109,820)	8,869,593	10,979,413
NET CHANGE IN FUND BALANCES	518,287	(10,791,466)	231,852	10,994,542
Fund Balances - Beginning of Year	9,401,067	9,401,067	9,401,067	-
FUND BALANCES - END OF YEAR	$ 9,919,354	$ (1,390,399)	$ 9,632,919	$ 10,994,542

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – WHOLE PERSON CARE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,675,235	$ 1,675,235	$ 2,877,079	$ 1,201,844
Charges for Services	-	-	1,368,607	1,368,607
Total Revenues	1,675,235	1,675,235	4,245,686	2,570,451
EXPENDITURES				
Current:				
Health and Sanitation	3,934,834	3,934,834	4,504,375	(569,541)
Total Expenditures	3,934,834	3,934,834	4,504,375	(569,541)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,259,599)	(2,259,599)	(258,689)	2,000,910
OTHER FINANCING SOURCES (USES)				
Transfers In	154,030	154,030	981,260	827,230
Transfers Out	(154,030)	(1,445,219)	(1,901,877)	(456,658)
Total Other Financing Sources (Uses)	-	(1,291,189)	(920,617)	370,572
NET CHANGE IN FUND BALANCES	(2,259,599)	(3,550,788)	(1,179,306)	2,371,482
Fund Balances - Beginning of Year	2,047,975	2,047,975	2,047,975	-
FUND BALANCES - END OF YEAR	$ (211,624)	$ (1,502,813)	$ 868,669	$ 2,371,482

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 3,000	$ 3,000	$ 2,977	$ (23)
EXPENDITURES				
Current:				
Capital Outlay	3,496,600	17,126,806	16,873,585	253,221
Total Expenditures	3,496,600	17,126,806	16,873,585	253,221
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,493,600)	(17,123,806)	(16,870,608)	253,198
OTHER FINANCING SOURCES (USES)				
Transfers In	2,706,600	16,336,806	16,853,897	(517,091)
Total Other Financing Sources (Uses)	2,706,600	16,336,806	16,853,897	(517,091)
NET CHANGE IN FUND BALANCES	(787,000)	(787,000)	(16,711)	(263,893)
Fund Balances - Beginning of Year	1,138,182	1,138,182	1,138,182	-
FUND BALANCES - END OF YEAR	$ 351,182	$ 351,182	$ 1,121,471	$ (263,893)

INTERNAL SERVICE FUNDS

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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.

- **HEALTH INSURANCE**
  The Mendocino County Employee Self-Insured Health Plan fund is managed and administered by the County's Human Resources Department. This fund supports the County's medical and prescription drug plans. Dental and Vision plans are separately insured through Delta Dental and Vision Service Plan. The Employee Self-Insurance Health Plan fund also supports:

  - an Employee Assistance Program (EAP) –
    EAP services are provided by a vendor who offers counseling and referral services with the goal to provide assistance to employees for work related or personal issues that may impact job performance;
  - the Mendocino County Working on Wellness (MCWOW) Program –
    The MCWOW program provides opportunities for wellness for all employees and their insured family members through access to health promotion, education, assessments, activities and support, with a goal to help participants take responsibility for healthy lifestyle behaviors and choices leading toward high level wellness and reduced health care costs;
  - life, death and dismemberment coverage;
  - a Section 125 Plan (tax-deferred, flexible spending cafeteria plan); and
  - AirMed-Care air ambulance service memberships.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2021

ASSETS	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CURRENT ASSETS				
Pooled Cash and Investments in County Treasury	$ 4,527,512	$ 66,636	$ 692,890	$ 1,438,744
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Total Current Assets	4,527,512	66,636	692,890	1,438,744
NONCURRENT ASSETS				
Capital Assets:				
Depreciable, Net	2,434,789	74,141	-	-
Total Noncurrent Assets	2,434,789	74,141	-	-
Total Assets	6,962,301	140,777	692,890	1,438,744
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	65,950	-	-	74,937
Accrued Salaries and Benefits	-	-	-	5,930
Due to Other Funds	-	-	-	-
Compensated Absences Payable	-	-	-	18,992
Liability for Unpaid Claims	-	-	789,722	1,073,771
Total Current Liabilities	65,950	-	789,722	1,173,630
Total Liabilities	65,950	-	789,722	1,173,630
NET POSITION				
Net Investment in Capital Assets	2,434,789	74,141	-	-
Unrestricted	4,461,562	66,636	(96,832)	265,114
Total Net Position	$ 6,896,351	$ 140,777	$ (96,832)	$ 265,114

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2021

ASSETS	Workers' Compensation	Health Insurance	Total
CURRENT ASSETS			
Pooled Cash and Investments in County Treasury	$ 1,678,202	$ -	$ 8,403,984
Other Cash	-	87,668	87,668
Accounts Receivable	-	12,372	12,372
Total Current Assets	1,678,202	100,040	8,504,024
NONCURRENT ASSETS			
Capital Assets:			
Depreciable, Net	-	-	2,508,930
Total Noncurrent Assets	-	-	2,508,930
Total Assets	1,678,202	100,040	11,012,954
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	241	353,578	494,706
Accrued Salaries and Benefits	5,761	31,184	42,875
Due to Other Funds	-	797,071	797,071
Compensated Absences Payable	-	20,824	39,816
Liability for Unpaid Claims	-	2,571,698	4,435,191
Total Current Liabilities	6,002	3,774,355	5,809,659
Total Liabilities	6,002	3,774,355	5,809,659
NET POSITION			
Net Investment in Capital Assets	-	-	2,508,930
Unrestricted	1,672,200	(3,674,315)	2,694,365
Total Net Position	$ 1,672,200	$ (3,674,315)	$ 5,203,295

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
OPERATING REVENUES				
Charges and Fees	$ 100,167	$ -	$ 200,000	$ 2,352,604
Other Revenues	-	-	95,261	-
Total Operating Revenues	100,167	-	295,261	2,352,604
OPERATING EXPENSES				
Salaries and Benefits	-	-	-	129,975
Services and Supplies	1,293,634	-	861	377,288
Insurance	-	-	-	1,448,682
Depreciation	202,399	125,655	-	-
Claims and Judgments	-	-	400,712	814,227
Total Operating Expenses	1,496,033	125,655	401,573	2,770,172
OPERATING INCOME (LOSS)	(1,395,866)	(125,655)	(106,312)	(417,568)
NONOPERATING REVENUES (EXPENSES)				
Other Revenues	-	-	-	6,968
Interest Revenue (Expense)	(14,037)	(11)	(1,015)	(3,804)
Total Nonoperating Revenues	(14,037)	(11)	(1,015)	3,164
INCOME (LOSS) BEFORE TRANSFERS	(1,409,903)	(125,666)	(107,327)	(414,404)
TRANSFERS IN	2,617,931	-	-	-
TRANSFERS OUT	-	-	-	(266,506)
CHANGE IN NET POSITION	1,208,028	(125,666)	(107,327)	(680,910)
Net Position - Beginning of Year	5,688,323	266,443	10,495	946,024
NET POSITION - END OF YEAR	$ 6,896,351	$ 140,777	$ (96,832)	$ 265,114

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Health Insurance	Total
OPERATING REVENUES			
Charges and Fees	$ 4,983,598	$ 14,663,729	$ 22,300,098
Other Revenues	-	-	95,261
Total Operating Revenues	4,983,598	14,663,729	22,395,359
OPERATING EXPENSES			
Salaries and Benefits	83,977	605,593	819,545
Services and Supplies	20,250	715,162	2,407,195
Insurance	4,261,422	1,410,842	7,120,946
Depreciation	-	-	328,054
Claims and Judgments	-	14,791,594	16,006,533
Total Operating Expenses	4,365,649	17,523,191	26,682,273
OPERATING INCOME (LOSS)	617,949	(2,859,462)	(4,286,914)
NONOPERATING REVENUES (EXPENSES)			
Other Revenues	-	-	6,968
Interest Revenue (Expense)	825	(24,873)	(42,915)
Total Nonoperating Revenues	825	(24,873)	(35,947)
INCOME (LOSS) BEFORE TRANSFERS	618,774	(2,884,335)	(4,322,861)
TRANSFERS IN	-	-	2,617,931
TRANSFERS OUT	(5,820)	(346,084)	(618,410)
CHANGE IN NET POSITION	612,954	(3,230,419)	(2,323,340)
Net Position - Beginning of Year	1,059,246	(443,896)	7,526,635
NET POSITION - END OF YEAR	$ 1,672,200	$ (3,674,315)	$ 5,203,295

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts From Interfund Services Provided	$ 103,167	$ -	$ 295,261	$ 2,352,604
Cash Paid to Employees for Services	-	-	-	(119,379)
Cash Paid to Suppliers for Goods and Services	(1,894,822)	-	(407,634)	(2,366,222)
Net Cash Provided (Used) by Operating Activities	(1,791,655)	-	(112,373)	(132,997)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Noncapital Other Contributions	-	-	-	6,968
Transfers In	2,617,931	-	-	-
Transfers Out	-	-	-	(266,506)
Net Cash Provided (Used) by Noncapital Financing Activities	2,617,931	-	-	(259,538)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(2,323,678)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	(14,037)	(11)	(1,015)	(3,804)
Net Cash Provided (Used) by Investing Activities	(14,037)	(11)	(1,015)	(3,804)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,511,439)	(11)	(113,388)	(396,339)
Cash and Cash Equivalents - Beginning of Year	6,038,951	66,647	806,278	1,835,083
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,527,512	$ 66,636	$ 692,890	$ 1,438,744
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (1,395,866)	$ (125,655)	$ (106,312)	$ (417,568)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	202,399	125,655	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	3,000	-	-	-
Increase (Decrease) in:				
Accounts Payable	(601,188)	-	-	72,549
Accrued Salaries	-	-	-	1,959
Compensated Absences	-	-	-	8,637
Claims Liability	-	-	(6,061)	201,426
Net Cash Provided (Used) by Operating Activities	$ (1,791,655)	$ -	$ (112,373)	$ (132,997)

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Interfund Services Provided	$ 4,983,598	$ 15,016,990	$ 22,751,620
Cash Paid to Employees for Services	(91,128)	(607,142)	(817,649)
Cash Paid to Suppliers for Goods and Services	(4,285,083)	(17,194,814)	(26,148,575)
Net Cash Provided (Used) by Operating Activities	607,387	(2,784,966)	(4,214,604)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital Other Contributions	-	-	6,968
Transfers In	-	797,071	3,415,002
Transfers Out	(5,820)	(346,084)	(618,410)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,820)	450,987	2,803,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	(2,323,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(2,323,678)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	825	(24,873)	(42,915)
Net Cash Provided (Used) by Investing Activities	825	(24,873)	(42,915)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	602,392	(2,358,852)	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	1,075,810	2,446,520	12,269,289
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,678,202	$ 87,668	$ 8,491,652
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 617,949	$ (2,859,462)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	328,054
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	353,261	356,261
Increase (Decrease) in:			
Accounts Payable	(3,411)	131,966	(400,084)
Accrued Salaries	1,812	(271)	3,500
Compensated Absences	(8,963)	(1,278)	(1,604)
Claims Liability	-	(409,182)	(213,817)
Net Cash Provided (Used) by Operating Activities	$ 607,387	$ (2,784,966)	$ (4,214,604)

INVESTMENT TRUST FUNDS

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INVESTMENT TRUST FUNDS

Investment trust funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and college districts and other special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County has the following types of investment trust funds:

- **SPECIAL DISTRICTS LOCAL BOARDS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for special districts local boards.

- **SCHOOL DISTRICTS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for the Counties' schools and college.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF FIDUCIARY NET POSITION – INVESTMENT TRUST FUND
JUNE 30, 2021

	Special Districts Local Boards	School Districts	Total
ASSETS			
Cash and Investments in County Treasury	$ 21,251,272	$ 192,699,694	$ 213,950,966
NET POSITION			
Restricted for Pool Participants	$ 21,251,272	$ 192,699,694	$ 213,950,966

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION – INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 2021

	Special Districts Local Boards	School Districts	Total
ADDITIONS			
Contributions on Pooled Investments	$ 18,872,457	$ 317,952,746	$ 336,825,203
Interest and Investment Income	(35,197)	22,947	(12,250)
Total Additions	18,837,260	317,975,693	336,812,953
DEDUCTIONS			
Distributions from Investment Pool	20,624,272	308,353,502	328,977,774
Total Deductions	20,624,272	308,353,502	328,977,774
CHANGE IN NET POSITION	(1,787,012)	9,622,191	7,835,179
Net Position - Beginning of Year, Restated	23,038,284	183,077,503	206,115,787
NET POSITION - END OF YEAR	$ 21,251,272	$ 192,699,694	$ 213,950,966

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STATISTICAL SECTION

– STATISTICAL SECTION PHOTO –
Russian Gulch State Park, Mendocino, CA; photo by Megan Miltimore

COUNTY OF MENDOCINO
STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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COUNTY OF MENDOCINO
GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

					[2]
	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	$ 74,699	$ 75,464	$ 77,487	$ 83,929	$ 89,588
Restricted	23,253	29,746	30,589	29,584	30,684
Unrestricted	(31,191)	(26,506)	(28,097)	(162,305)	(159,976)
Total Primary Government Net Position	$ 66,761	$ 78,704	$ 79,979	$ (48,792)	$ (39,704)

	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Governmental Activities:					
Net Investment in Capital Assets	$ 94,282	$ 102,445	$ 109,538	$ 109,188	$ 129,961
Restricted	33,815	50,179	70,808	70,808	105,021
Unrestricted	(163,487)	(177,033)	(177,546)	(160,349)	(191,378)
Total Primary Government Net Position	$ (35,390)	$ (24,409)	$ 2,800	$ 19,647	$ 43,604

Notes:

1. Accounting standards require that net position be reported in the three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position are considered restricted when (1) externally imposed by creditors (such as debt covenants), grantors, contributor, or law or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

2. Due to the implementation of GASB 68 in FY 2015, the County is now required to recognize net pension liability on the financial statements.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Expenses (by Function)					
Governmental Activities:					
General Government	$ 17,900	$ 12,977	$ 15,163	$ 15,424	$ 17,558
Public Protection	48,624	49,524	52,834	55,033	56,687
Public Ways and Facilities	12,784	13,697	13,130	15,381	12,394
Health and Sanitation	35,317	30,084	35,195	36,322	32,292
Public Assistance	55,459	54,622	58,200	58,778	67,853
Education	1,754	2,115	2,635	2,965	3,540
Recreation and Culture	318	411	454	611	599
Debt Service:					
Interest	6,808	6,148	4,977	4,710	4,484
Total Primary Government Expenses	$ 178,964	$ 169,578	$ 182,588	$ 189,224	$ 195,407

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Expenses (by Function)					
Governmental Activities:					
General Government	$ 19,054	$ 18,343	$ 18,901	$ 22,640	$ 22,851
Public Protection	64,849	69,949	69,229	77,464	84,642
Public Ways and Facilities	14,232	13,277	16,113	22,550	22,350
Health and Sanitation	30,904	49,695	53,071	57,374	70,044
Public Assistance	70,006	72,611	71,373	77,122	80,230
Education	3,685	3,812	4,092	4,174	3,937
Recreation and Culture	536	461	524	554	617
Debt Service:					
Interest	4,252	4,087	3,870	3,405	2,923
Total Primary Government Expenses	$ 207,518	$ 232,235	$ 237,173	$ 265,284	$ 287,593

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,475	$ 2,947	$ 2,911	$ 2,846	$ 3,220
Public Protection	8,752	8,105	9,954	9,306	9,987
Public Ways and Facilities	329	303	268	234	247
Health and Sanitation	4,106	4,130	3,218	3,692	4,114
Public Assistance	281	100	142	274	219
Education	36	49	49	62	50
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	93,886	101,039	102,164	105,656	110,986
Capital Grants and Contributions	2,666	3,484	4,431	6,410	6,391
Total Primary Government Program Revenues	113,531	120,157	123,137	128,480	135,214
Total Primary Net Expense	$ (65,433)	$ (49,421)	$ (59,451)	$ 123,770	$ (60,193)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,731	$ 4,403	$ 9,111	$ 3,639	$ 4,024
Public Protection	11,091	9,626	9,602	10,321	9,045
Public Ways and Facilities	263	325	955	346	482
Health and Sanitation	3,843	5,944	10,696	6,396	7,934
Public Assistance	444	539	523	400	620
Education	57	-	58	29	787
Recreation and Culture	-	-	10	17	10
Operating Grants and Contributions	115,677	130,234	135,467	145,481	177,464
Capital Grants and Contributions	4,974	3,756	6,468	3,191	3,405
Total Primary Government Program Revenues	140,080	154,827	172,890	169,821	203,771
Total Primary Net Expense	$ (67,438)	$ (77,408)	$ (64,282)	$ (95,463)	$ (83,821)

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 40,622	$ 41,490	$ 41,090	$ 43,773	$ 46,801
Sales and Use Taxes	10,723	12,752	13,396	14,687	14,507
Transient Occupancy Tax	3,556	3,618	3,856	4,491	4,945
Other	287	334	388	426	429
Unrestricted Interest and Investment Earning	1,026	780	375	274	431
Gain on Sale of Assets	-	-	155	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	2,428	1,939	1,467	4,258	2,168
Total Primary Government	58,642	60,913	60,727	67,909	69,281
Change in Net Position					
Total Primary Government	$ (6,791)	$ 11,492	$ 1,276	$ 67,909	$ 9,088

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 48,171	$ 50,490	$ 51,843	$ 51,500	$ 55,715
Sales and Use Taxes	14,912	17,480	25,084	24,743	31,030
Transient Occupancy Tax	5,152	5,682	5,872	4,785	7,961
Other	504	2,025	4,660	6,227	6,727
Unrestricted Interest and Investment Earning	719	1,396	1,683	3,141	549
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	-	-	22,652	-
Miscellaneous	2,294	2,638	2,347	2,136	2,375
Total Primary Government	71,752	79,711	91,490	115,183	104,357
Change in Net Position					
Total Primary Government	$ 4,314	$ 2,303	$ 27,208	$ 19,721	$ 20,535

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,				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	$ 102	$ 77	$ 91	$ 115	$ 133
Restricted	-	-	-	-	-
Assigned	221	-	15,572	19,403	24,390
Unassigned	12,147	18,682	11,693	15,330	12,938
Total General Fund	$ 12,470	$ 18,759	$ 27,356	$ 34,848	$ 37,461
All Other Governmental Funds					
Nonspendable	$ 597	$ 589	$ 651	$ 692	$ 666
Restricted	16,815	20,776	25,281	24,060	24,094
Assigned	-	-	-	-	407
Unassigned	(9)	(10)	(9)	(10)	-
Total All Other Governmental Funds	17,403	21,355	25,923	24,742	25,167
Total Governmental Funds Balances	$ 29,873	$ 40,114	$ 53,279	$ 59,590	$ 62,628

	June 30,				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	$ 115	$ 139	$ 177	$ 230	$ 263
Restricted	-	7,071	8,330	9,074	8,714
Assigned	27,541	29,626	25,887	25,542	50,404
Unassigned	8,931	6,936	12,336	35,503	21,605
Total General Fund	$ 36,587	$ 43,772	$ 46,730	$ 70,349	$ 80,987
All Other Governmental Funds					
Nonspendable	$ 525	$ 589	$ 534	$ 571	$ 1,208
Restricted	33,357	31,286	46,947	57,594	65,322
Assigned	997	587	771	1,138	1,121
Unassigned	(1)	-	(22)	(1,536)	-
Total All Other Governmental Funds	34,878	32,462	48,230	57,767	67,652
Total Governmental Funds Balances	$ 71,465	$ 76,234	$ 94,960	$ 128,117	$ 148,639

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenues					
Taxes	$ 55,960	$ 58,193	$ 58,730	$ 63,378	$ 66,682
Licenses, Permits, and Franchises	2,723	2,799	2,913	2,925	2,812
Intergovernmental	97,596	101,447	109,770	112,479	115,851
Revenue from Use of Money and Property	771	735	338	247	387
Fines, Forfeitures, and Penalties	2,345	1,738	3,019	1,856	1,940
Charges for Services	11,985	10,873	10,676	11,621	12,995
Other Revenues	2,428	1,939	1,623	4,258	2,168
Total Revenues	$ 173,808	$ 177,724	$ 187,069	$ 196,764	$ 202,835
Expenditures					
Current:					
General Government	$ 13,371	$ 12,786	$ 13,624	$ 13,854	$ 15,524
Public Protection	42,969	44,681	47,135	50,825	55,365
Public Ways and Facilities	9,661	12,999	14,118	20,052	17,025
Health and Sanitation	28,999	29,080	28,563	32,915	32,859
Public Assistance	52,835	52,733	56,487	57,052	63,626
Education	1,562	1,997	2,459	2,765	2,998
Recreation and Culture	295	386	421	521	551
Debt Service:					
Principal	5,269	5,422	4,765	4,986	5,214
Interest	7,453	5,686	5,073	4,821	4,602
Capital Outlay	6,229	1,045	1,018	2,234	1,029
Total Expenditures:	168,643	166,815	173,663	190,025	198,793
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ 5,165	$ 10,909	$ 13,406	$ 6,739	$ 4,042
Other Financing Sources (Uses)					
Transfers In	$ 14,886	$ 15,699	$ 16,454	$ 16,190	$ 17,305
Transfers Out	(15,113)	(15,896)	(16,696)	(16,618)	(18,310)
Issuance of Refunding Debt	25,810	-	-	-	-
Payment to Refunded Bond Escrow Agent	(24,130)	-	-	-	-
Total Other Financing Sources (Uses)	$ 1,453	$ (197)	$ (242)	$ (428)	$ (1,005)
Extraordinary Item					
RDA Dissolution	$ (1,405)	$ -	$ -	$ -	$ -
Net Changes in Fund Balances	$ 5,213	$ 10,712	$ 13,164	$ 6,311	$ 3,037
Debt Service as a Percentage of Noncapital Expenditures	7.83%	6.70%	5.70%	5.22%	4.96%

Note: Debt Service as a Percentage of Noncapital Expenditures was determined as follows:
(Principal and Interest) divided by (Total Expenditures less Expenditures for General Capital Assets, Infrastructure and Other Related Capital Assets Adjustments)

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues					
Taxes	$ 68,739	$ 75,677	$ 87,460	$ 87,255	$ 101,433
Licenses, Permits, and Franchises	3,377	4,361	4,963	5,270	5,477
Intergovernmental	124,372	126,097	141,152	153,219	173,640
Revenue from Use of Money and Property	622	1,218	1,505	2,824	592
Fines, Forfeitures, and Penalties	1,619	1,475	1,517	1,413	978
Charges for Services	14,629	15,138	19,408	14,366	16,428
Other Revenues	1,849	2,071	2,347	24,788	2,375
Total Revenues	$ 215,207	$ 226,037	$ 258,353	$ 289,135	$ 300,924
Expenditures					
Current:					
General Government	$ 15,554	$ 15,732	$ 16,793	$ 17,206	$ 19,034
Public Protection	56,020	62,481	64,257	68,314	75,440
Public Ways and Facilities	14,978	15,349	20,239	20,826	21,857
Health and Sanitation	36,814	48,410	52,052	55,034	67,956
Public Assistance	65,624	68,936	68,425	71,621	74,985
Education	3,409	3,523	3,965	3,753	3,549
Recreation and Culture	462	405	468	470	541
Debt Service:					
Principal	5,470	5,745	6,035	6,345	6,670
Interest	4,376	4,218	4,008	3,626	3,081
Capital Outlay	3,706	5,297	2,848	4,866	20,097
Total Expenditures	206,413	230,096	239,092	252,062	293,210
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ 8,794	$ (4,059)	$ 19,262	$ 37,073	$ 7,714
Other Financing Sources (Uses)					
Transfers In	$ 21,279	$ 20,186	$ 19,050	$ 21,272	$ 54,432
Transfers Out	(21,235)	(20,036)	(19,585)	(25,188)	(56,432)
Issuance of Refunding Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	$ 44	$ 150	$ (535)	$ (3,916)	$ (2,000)
Extraordinary Item					
RDA Dissolution	$ -	$ -	$ -	$ -	$ -
Net Changes in Fund Balances	$ 8,838	$ (3,909)	$ 18,726	$ 33,156	$ 5,714
Debt Service as a Percentage of Noncapital Expenditures	4.86%	4.43%	4.25%	4.03%	3.64%

COUNTY OF MENDOCINO
ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	Total Direct Tax Rate
2012	$ 9,872,631	$ 371,954	$ (270,752)	$ 9,973,833	1.00 %
2013	9,820,376	371,189	(281,736)	9,909,829	1.00
2014	9,976,381	358,517	(299,898)	10,035,000	1.00
2015	10,206,167	367,186	(341,186)	10,232,167	1.00
2016	10,548,988	365,106	(367,170)	10,546,924	1.00
2017	10,948,983	376,939	(386,910)	10,939,012	1.00
2018	11,412,322	365,378	(406,068)	11,371,632	1.00
2019	11,863,702	384,724	(418,358)	11,830,068	1.00
2020	12,251,471	391,328	(435,039)	12,207,760	1.00
2021	12,792,627	377,022	(533,417)	12,636,232	1.00

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are 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 XIIIA, 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 limites the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PROPERTY TAX RATE – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Basic Countywide Levy	Unitary Debt Service	Schools	Junior College	Special Districts	Incorporated Cities	Total
2012	1.0000 %	0.2300 %	0.5110 %	0.0560 %	0.0390 %	0.0060 %	1.8420 %
2013	1.0000	0.2330	0.6110	0.0560	0.0400	-	1.9400
2014	1.0000	0.2590	0.6040	0.0540	0.0280	-	1.9450
2015	1.0000	0.2600	0.6520	0.0540	0.0280	-	1.9940
2016	1.0000	0.2620	0.6040	0.0500	0.0320	-	1.9480
2017	1.0000	0.2700	0.8700	0.0700	0.0100	-	2.2200
2018	1.0000	0.2990	0.7770	0.0690	0.0150	-	2.1600
2019	1.0000	0.3130	0.7910	0.0680	0.0130	-	2.1850
2020	1.0000	0.3240	0.8370	0.0700	0.0130	-	2.2440
2021	1.0000	0.3460	0.8410	0.0700	0.0130	-	2.2700

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PRINCIPAL PROPERTY TAXPAYERS
MOST RECENT YEAR AND NINE YEARS AGO
(IN THOUSANDS OF DOLLARS)

Fiscal Year Ended June 30, 2021	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	$3,648,483	2.35 %
Mendocino Forest Products, Inc.	Mfg./Sawmill	898,778	0.58
VCT USA, Inc. (Fetzer)	Vineyard/Winery	714,401	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	514,638	0.33
Waterfowl Wine Company	Vineyard/Winery	403,180	0.26
Vintage Wine Estates, Inc.	Vineyard/Winery	390,271	0.25
Costco Wholesale Corporation	Retail Sales	279,742	0.18
Lyme Redwood Timberlands LLC	Timberland	249,682	0.16
Pear Tree REH LLC	Shopping Center	236,119	0.15
Pacific Bell Telephone Co.	Communicatons	221,188	0.14
Total Principal Property Taxpayers		7,556,482	4.88 %
All Other Taxes Levied		147,401,921	95.12
TOTAL		$ 154,958,403	100.00 %

Fiscal Year Ended June 30, 2012	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	$ 2,030,377	1.77 %
Fetzer Vineyards	Vineyard/Winery	942,377	0.82
Mendocino Forest Products, Inc.	Mfg./Sawmill	526,538	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	458,271	0.40
Pacific Bell Telephone Co.	Communication	424,416	0.37
Georgia Pacific Corp.	Industrial Site	351,783	0.31
Heritage Wine, LLC	Vineyard/Winery	257,146	0.22
Hawthorne Timber Co.	Timberland	231,766	0.20
Pear Orchard Associates	Shopping Center	199,173	0.17
Safeway, Inc.	Grocery	171,091	0.15
Total Principal Property Taxpayers		5,592,939	4.88 %
All Other Taxes Levied		109,058,112	95.12
TOTAL		$ 114,651,051	100.00 %

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured, Unitary & Unsecured Tax Levies	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [3]	Delinquent Amount	Percent of Levy Delinquent
		Collected Amount	Percent of Original Levy			
2012	$ 100,229	$ 96,589	96.37 %	*nda*	$ 3,640	3.63 %
2013	99,945	96,699	96.75	*nda*	3,246	3.25
2014	101,867	98,876	97.06	*nda*	2,991	2.94
2015	103,757	100,788	97.14	*nda*	2,969	2.86
2016	107,494	104,617	97.32	*nda*	2,877	2.68
2017	111,699	108,468	97.11	*nda*	3,231	2.89
2018	116,240	112,818	97.06	*nda*	3,422	2.94
2019	121,182	117,506	96.97	*nda*	3,677	3.03
2020	125,471	121,262	96.65	*nda*	4,209	3.35
2021	147,503	142,617	96.69	*nda*	4,885	3.31

Notes:

1. Includes Secured, Unsecured, and Unitary Taxes levied for the county itself, school districts, cities, and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.
2. Does not include bond tax or direct tax levies.
3. No data available (*nda*). Collections in Subsequent Years are not available from the County's current property tax system.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Type of Business	Fiscal Year Ended June 30, 2012	2013	2014	2015	2016
Motor Vehicle & Parts Dealers	$ 115,334	$ 125,117	$ 136,193	$ 149,385	$ 170,993
Home Furnishings & Appliance Stores	24,828	26,922	29,000	29,602	30,461
Building/Garden Material & Equipment	130,832	138,031	142,562	151,499	169,373
Food and Beverage Stores	107,362	109,465	107,522	109,872	113,917
Gasoline Stations	198,884	209,704	211,714	196,341	167,570
Clothing & Clothing Accessories Stores	29,056	31,652	33,875	36,104	38,214
General Merchandise Stores	81,063	81,096	80,647	82,826	87,482
Food Services and Drinking Places	102,203	108,296	116,533	127,399	139,064
Other Retail	116,692	123,091	128,269	132,419	139,921
Total Retail & Food Services	906,255	953,373	986,313	1,015,446	1,056,995
All Other Outlets	281,559	307,093	332,657	340,664	346,703
Totals	$ 1,187,814	$ 1,260,466	$ 1,318,970	$ 1,356,109	$ 1,403,698

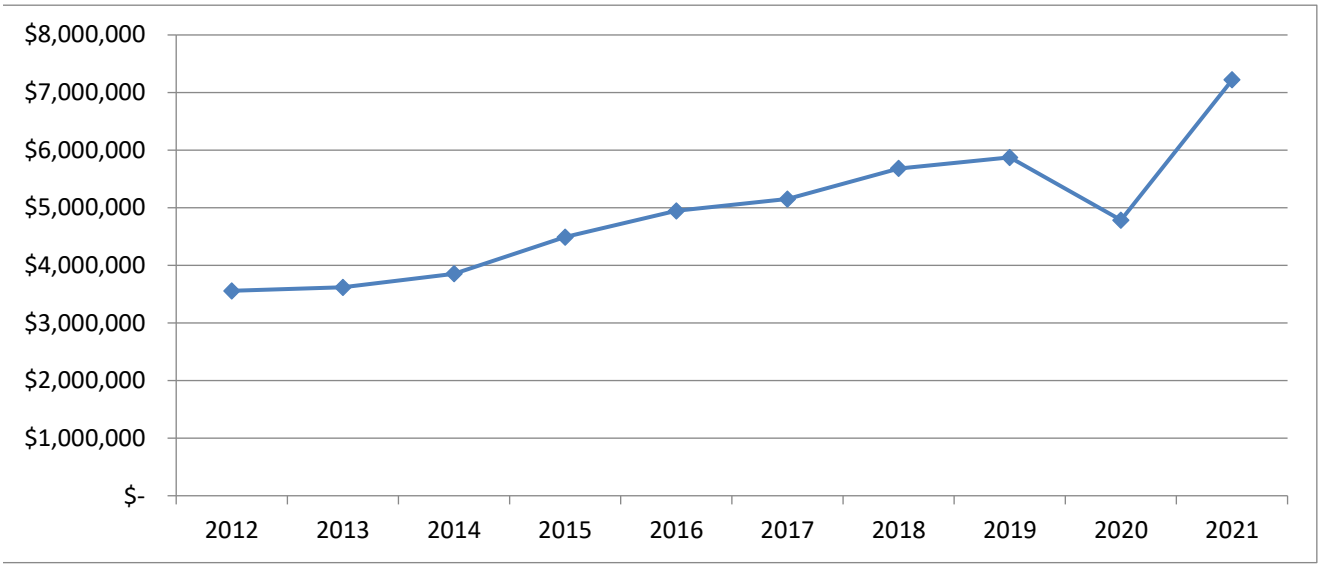
Type of Business	Fiscal Year Ended June 30, 2017	2018	2019	2020	2021
Motor Vehicle & Parts Dealers	$ 181,773	$ 183,042	$ 180,355	$ 206,502	$ 245,473
Home Furnishings & Appliance Stores	27,913	27,654	26,134	26,901	35,418
Building/Garden Material & Equipment	176,471	168,996	174,335	208,847	254,826
Food and Beverage Stores	115,181	119,226	112,069	117,617	134,755
Gasoline Stations	169,709	202,565	203,166	182,512	209,082
Clothing & Clothing Accessories Stores	39,382	38,742	40,859	36,727	49,211
General Merchandise Stores	86,588	87,186	145,673	159,642	179,132
Food Services and Drinking Places	144,571	143,818	145,768	125,873	138,571
Other Retail	146,801	148,291	161,435	205,460	281,913
Total Retail & Food Services	1,088,387	1,119,521	1,189,794	1,270,080	1,528,382
All Other Outlets	348,929	347,423	336,996	355,165	457,692
Totals	$ 1,437,317	$ 1,466,943	$ 1,526,790	$ 1,625,245	$ 1,986,074

Note: Values are shown on a fiscal year basis (quarters 3 & 4 of prior year, plus quarters 1 & 2 of current year). Data for fiscal years 2016-present is from CDTFA (California Department of Tax and Fee Administration), using published quarterly values. Data for fiscal years 2012-2015 is from State Board of Equalization, based on an average of the two calendar years included in the fiscal year period.

Source: California Department of Tax and Fee Administration; State Board of Equalization

COUNTY OF MENDOCINO
TRANSIENT OCCUPANCY TAX – ACTUAL RECEIPTS
LAST TEN FISCAL YEARS

Fiscal Year		Annual Revenue	Growth Rate
2012	$	3,556,307	7.98 %
2013		3,617,553	1.72
2014		3,855,504	6.58
2015		4,491,130	16.49
2016		4,944,101	10.09
2017		5,152,109	4.21
2018		5,682,028	10.29
2019		5,872,388	3.35
2020		4,784,925	(18.52)
2021		7,219,977	50.89



Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities: Certificates of Participation	Governmental Activities: Pension Obligation Bonds	Governmental Activities: Capital Leases	Governmental Activities: Long-Term Loans	Total Governmental Activities [1]	Per Capita [2]	Percentage of Personal Debt Limit [2]
2012	$ 24,505	$ 79,575	$ -	$ 936	$ 105,016	$ 1,207	3.10 %
2013	23,530	76,000	-	65	99,595	1,145	2.87
2014	22,545	72,245	-	39	94,829	1,090	2.58
2015	21,525	68,305	-	13	89,843	1,033	2.33
2016	20,480	64,150	-	-	84,630	962	2.13
2017	19,395	59,765	-	-	79,160	900	1.89
2018	18,280	55,135	-	-	73,415	829	1.67
2019	17,130	50,250	-	-	67,380	777	1.53
2020	15,940	45,095	-	-	61,035	709	1.29
2021	14,710	39,655	-	-	54,365	632	1.15

Notes:

1. Shows all debt shown for governmental activities.
2. See the "Demographics and Economic Statistics" schedule for population figures. Prior year figures have been updated with 2020 demographics, published in November of 2021.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Total Assessed Valuation	Legal Debt Limit [1]	Total Net Debt Applicable to Exemptions [2]	Legal Debt Margin [3]	Legal Debt Margin/ Debt Limit
2012	$ 9,973,833	$ 124,673	$ -	$ 124,673	100 %
2013	9,909,829	123,873	-	123,873	100
2014	10,035,000	125,438	-	125,438	100
2015	10,232,167	127,902	-	127,902	100
2016	10,546,924	131,837	-	131,837	100
2017	10,939,012	136,738	-	136,738	100
2018	11,371,632	142,145	-	142,145	100
2019	11,830,068	147,876	-	147,876	100
2020	12,207,760	152,597	-	152,597	100
2021	12,636,232	157,953	-	157,953	100

Notes:

1. The legal debt limit is set by statute at 1.25% of the total assessed valuation.
2. The County does not have any General Bonded Debt.
3. The legal debt margin is the legal debt limit reduced by all general bonded debt.

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
ASSESSED VALUATION
JUNE 30, 2021

2020-21 Assessed Valuation (Includes Unitary Utility Valuation) $ 12,636,231,964

DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT	Total Debt at June 30, 2021	Percentage Applicable	County's Share of Debt at June 30, 2021
Mendocino County Certificates of Participation	$ 14,710,000	100.000	$ 14,710,000
Mendocino County Pension Obligation Bonds	39,655,000	100.000	39,655,000
TOTAL DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT			54,365,000
DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			
Anderson Valley Unified School District	6,370,801	100.000	6,370,801
Arena Union School District	1,159,062	100.000	1,159,062
Fort Bragg Unified School District	37,324,101	100.000	37,324,101
Laytonville Unified School District	7,565,000	100.000	7,565,000
Mendocino Coast Hospital District	4,130,746	100.000	4,130,746
Mendocino Lake Community College District	82,095,656	66.920	54,938,413
Mendocino Unified School District	26,729,522	100.000	26,729,522
Point Arena Joint Union High School District	-	59.350	-
Potter Valley Unified School District	2,735,000	100.000	2,735,000
Redwoods Joint Community College District	23,865,000	13.660	3,259,959
Round Valley Unified School District	8,250,423	100.000	8,250,423
Sonoma County Joint Community College District 2002	131,280,000	1.120	1,470,336
Sonoma County Joint Community College District 2014	224,925,000	1.120	2,519,160
Southern Humboldt Unified School District	20,957,855	2.160	452,690
Ukiah Unified School District	64,841,421	100.000	64,841,421
Willits Unified School District	14,837,054	100.000	14,837,054
TOTAL DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			236,583,688
TOTAL DIRECT DEBT			54,365,000
TOTAL OVERLAPPING DEBT			236,583,688
COMBINED TOTAL DEBT			$ 290,948,688

RATIOS of 2020-21 ASSESSED VALUATIONS

Total Direct Debt ($54,365,000)	0.430%
Total Overlapping Tax and Assessment Debt	1.872%
Total Combined Debt	2.302%

Notes:

1. Percentage of overlapping debt applicable to county is determined using taxable assessed property value. Applicable percentages were determined by the portion of the overlapping district's assessed value that is within the boundaries of the county, divided by the district's total taxable assessed value.
2. Excluedes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Per Capita Income [1]	Total Personal Income (000's) [1]	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2011	87,442	$ 38,493	$ 3,365,946	41.4	12,992	11.4 %
2012	87,409	38,737	3,385,984	41.7	13,049	10.0
2013	87,207	39,814	3,472,065	41.8	13,100	8.3
2014	87,449	42,051	3,677,284	42.0	13,148	7.0
2015	87,353	44,161	3,857,573	42.2	13,009	5.8
2016	87,628	45,436	3,981,438	42.3	13,210	5.3
2017	88,018	47,646	4,193,701	42.7	13,174	4.5
2018	87,606	50,150	4,393,445	42.4	13,203	3.9
2019	86,749	52,976	4,595,625	42.8	13,131	4.0
2020	86,061	54,795	4,715,675	43.1	13,245	8.9
2021	-	-	-	-	12,881	-

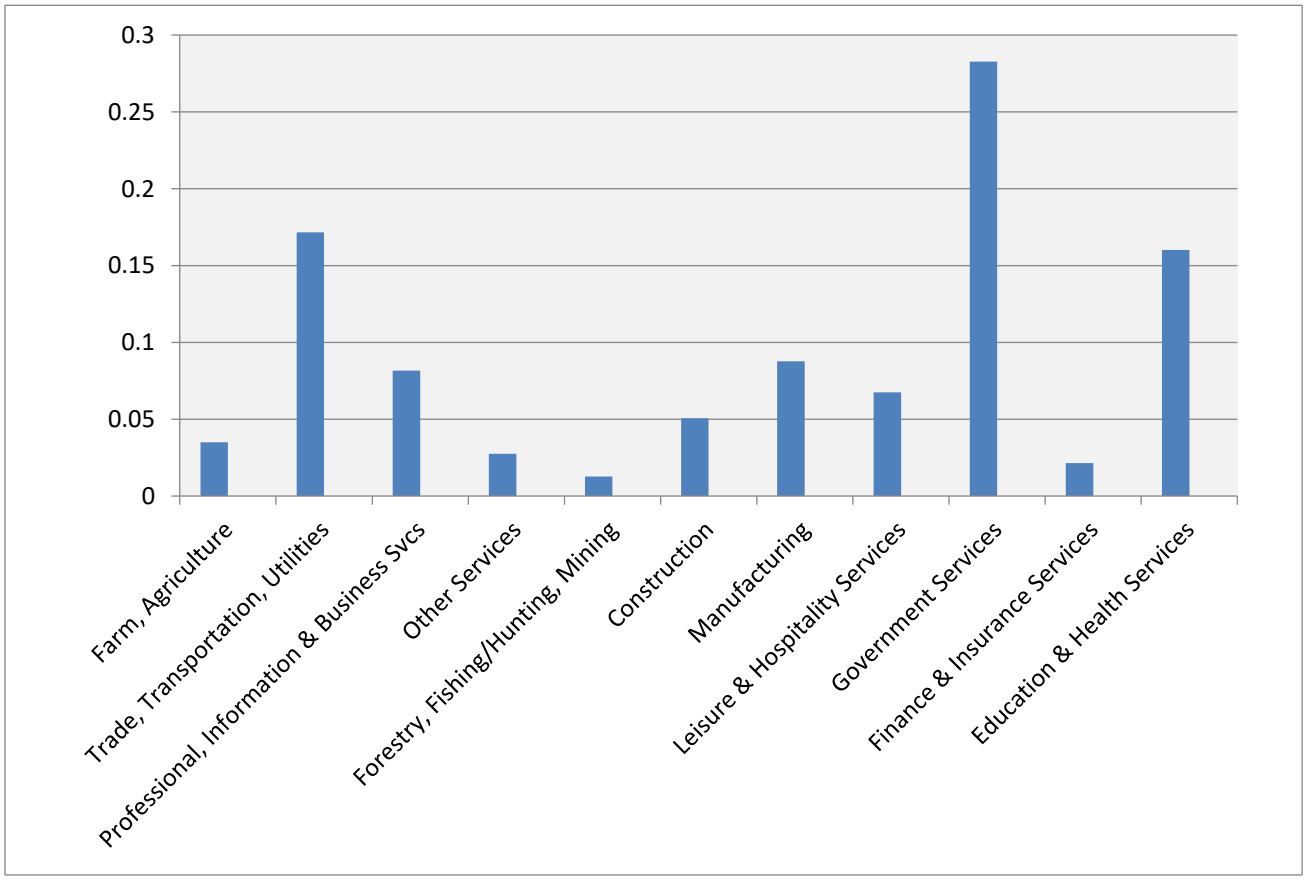
Note: Current Calendar Year data not yet available.

Source:

1. Bureau of Economic Analysis, 2020 data published November 16, 2021.
2. California Employment Development Department; Labor Market Info Division; 2015-19 5-yr survey.
3. California Department of Education, Demographics, Dataquest, County, Enrollment Data, FY 2020-21.
4. California Employment Development Department, Labor Market Info Division; Report 400 C, Monthly Labor Force Data for Counties, Annual Average 2020 (March 12, 2021 March 2020 Benchmark)

COUNTY OF MENDOCINO
INDUSTRY EMPLOYMENT DISTRIBUTION
MOST RECENT YEAR

Industry Employment Distribution	Compensation	Percent
Farm, Agriculture	$ 69,081	3.5 %
Trade, Transportation, Utilities	358,181	18.3
Professional, Information & Business Svcs	175,655	9.0
Other Services	55,886	2.9
Forestry, Fishing/Hunting, Mining	26,659	1.4
Construction	101,360	5.2
Manufacturing	179,225	9.1
Leisure & Hospitality Services	101,529	5.2
Government Services	534,271	27.3
Finance & Insurance Services	42,210	2.2
Education & Health Services	316,394	16.1
	$ 1,960,451	100.0 %



Source: Bureau of Econoic Analysis, 2020 data published November 16, 2021.

COUNTY OF MENDOCINO
PRINCIPAL EMPLOYERS
MOST RECENT YEAR AND NINE YEARS AGO

2021 Principal Employers	Location	Industry
Adventist Health Howard Meml	Willits	Hospitals
Adventist Health Mendocino Cst	Fort Bragg	Hospitals
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
California Department-Forestry	Willits	Fire Departments
Costco Wholesale	Ukiah	Wholesale Clubs
Coyote Valley Casino	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Wineries (mfrs)
Mendocino Community Health	Ukiah	Clinics
Mendocino County	Ukiah, Fort Bragg, Willits	Government Offices-County
Mendocino Co. Office of Educatioin	Ukiah	Boards of Education
Mendocino Redwood Co LLC	Calpella	Restaurants
Metalfx Inc	Willits	Sheet Metal Fabricators (mfrs)
Pacific Coast Farm Credit	Ukiah	Loans-Agricultural
Pacific Medical Resources	Fort Bragg	Nursing Services
Safeway	Fort Bragg	Grocers-Retail
Sawmill	Ukiah	Sawmills & Planing Mills-General (mfrs)
Ukiah City Civic Ctr	Ukiah	Government Offices-City/Village & Twp
Ukiah High School	Ukiah	Schools
Ukiah Valley Medical Ctr	Ukiah	Hospitals
Walmart	Ukiah	Department Stores

2012 Principal Employers	Location	Industry
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
City of Ukiah	Ukiah	City Services
County of Mendocino	Ukiah	County Services
Coyote Valley Tribe of Pomo Indians	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Vineyard/Winery
Hopland Band of Pomo Indians	Hopland	Casinos
Mendocino Coast Auxilary Hospital	Fort Bragg	Hospitals
Mendocino Coast Health Care	Fort Bragg	Outpatient Services
Mendocino Lake Community College	Ukiah	Education
Safeway	Ukiah	Grocery
Ukiah Unified School District	Ukiah	Education
Wal-Mart Stores, Inc.	Ukiah	Retail
Willits Hospital	Willits	Hospitals

Notes:

1. Major Employers, per California Employment Development Dept (EDD), Labor Market Information (LMI) data, LMI by Subject, Industries, Major Employers in each California County, Mendocino (edited). Per EDD webpage reference, the list was extracted from ALMIS Employer Database, 2022 2nd Edition.

COUNTY OF MENDOCINO
COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL										
General Government	144.60	140.60	143.10	132.50	134.50	135.50	144.50	145.50	148.50	148.50
Public Protection	434.80	435.80	439.80	440.80	449.80	454.80	462.80	465.80	465.30	464.00
Public Ways & Facilities	130.10	127.10	127.10	126.60	125.60	124.60	127.60	127.60	126.60	126.60
Health and Sanitation	288.90	264.90	251.10	222.20	213.20	208.20	195.80	191.80	193.80	194.05
Public Assistance	439.00	423.00	426.00	423.00	420.00	420.00	421.00	426.00	427.00	426.00
Recreation & Education	29.30	35.55	38.55	40.05	40.05	40.05	44.05	41.05	41.05	44.50
Total Governmental	1,466.70	1,426.95	1,425.65	1,385.15	1,383.15	1,383.15	1,395.75	1,397.75	1,402.25	1,403.65
SPECIAL DISTRICTS										
Water Resource Agency	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Air Quality Mgmt District	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Total Special Districts	10.00	10.00	10.00	10.00	11.00	11.00	11.00	9.00	9.00	9.00
TOTAL All Positions	1,476.70	1,436.95	1,435.65	1,395.15	1,394.15	1,394.15	1,406.75	1,406.75	1,411.25	1,412.65

Note: Positions shown are approved budget, full-time equivalent positions

Source: Mendocino County Adopted Budget Book, Position Allocations

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT										
Assessor (BU 1120)										
Deeds Processed	3,629	4,143	3,799	4,074	4,089	4,124	4,046	3,781	3,726	3,973
Appraisals Completed	*nda*	14,319	13,183	12,580	13,611	13,630	13,023	12,449	7,977	12,212
Elections (BU 1410)										
Registration Cards Processed	5,773	7,921	5,012	5,295	17,575	11,078	8,689	22,195	28,249	27,561
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	27,572	27,410	28,037	26,176	23,808	24,317	22,184	25,331	24,103	26,623
Marriage Licenses Issued	486	513	593	507	588	548	489	554	404	260
Fictitious Business Names Filed	859	831	862	893	903	912	806	894	651	676
PUBLIC PROTECTION										
Adult Corrections (BU 2510)										
Prisoners Booked	5,661	5,765	5,597	5,056	4,989	4,007	7,505	4,831	3,728	3,672
Average Daily Population	253	266	292	301	305	304	303	286	258	239
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	4,918	4,615	4,421	4,200	4,003	3,882	3,838	3,799	3,474	3,205
TOTAL Collections	$6.18M	$6.25M	$5.86M	$5.78M	$5.63M	$5.54M	$5.64M	$5.73M	$5.66M	$6.45M
Cases with Support Order	91%	93%	94%	94%	94%	94%	93%	93%	93%	94%
Collections w/Mnthly Supp Obligation	61%	66%	67%	68%	68%	68%	67%	68%	69%	69%
Cases w/Collections on Past Due	61%	65%	65%	66%	67%	69%	68%	69%	74%	73%
District Attorney (BU 2070)										
Sentences to State Prison	117	130	97	148	141	151	128	124	114	81
Realignment County Prison [1]	44	65	72	95	99	77	64	43	48	32
Planning and Building (BU 2851)										
Planning Applications	481	541	644	765	833	1,448	415	522	661	632
Building and Grading Permits	1,545	1,806	1,772	1,880	2,020	2,376	2,260	2,938	3,960	4,264
Building Inspections	6,571	8,086	7,282	6,292	5,633	6,389	7,030	9,857	8,757	9,699
Probation (BU 2560) [3]										
Adult Reports	*nda*	374	475	571	613	568	524	536	445	cal yr
Juvenile Reports	*nda*	367	280	229	196	127	184	195	142	cal yr
Juvenile Hall Bookings	504	403	267	296	273	303	311	201	119	cal yr
Juvenile Hall AVG Daily Population [2]	24	21	11	14	22	20	16	13	8	cal yr

Notes:

1. Prison commitments served in County jail due to realignment statues, effective October 1, 2011.
2. 2015-2017 includes juveniles housed as part of a contract with Lake County.
3. 2020 was significantly impacted by COVID. Due to the continuation of the pandemic, it will likely impact the following year as well.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC PROTECTION (CONTINUED)										
Public Defender (BU 2080)										
New Cases	4,171	5,401	5,461	4,941	4,417	5,060	5,391	5,819	5,546	4,637
Sheriff (BU 2310)										
Number of Arrests	2,236	2,447	2,259	2,011	2,255	2,157	2,412	1,931	2,114	1,377
Cororner Case Load	309	301	344	323	327	359	259	341	299	482
Call for Service	33,666	38,378	40,023	38,776	45,028	64,204	64,925	70,605	38,382	60,367
Animal Control (BU 2310)										
Citations	*nda*	57	82	23	11	21	61	18	8	10
Animal Complaint Cases	*nda*	311	325	308	281	316	292	153	267	231
Calls for Service	3,124	2,628	3,092	2,902	2,815	3,445	3,319	3,989	3,441	2,209
Bite-related Calls for Service	*nda*	177	162	208	188	189	189	175	187	142
PUBLIC WAYS AND FACILITIES										
Public Works (BU 3010)										
Road Miles Maintained	1,014	1,014	1,014	1,015	1,015	1,016	1,017	1,017	1,017	cal yr
Bridges Maintained	152	152	156	157	157	157	157	157	157	157
Miles of Asphalt Overlay	0	3	0	4	14	14	0	0	0	-
Miles of Chip Seal Completed	0	8	52	9	11	0	8	8	16	22
Encroachment Permits Issued	140	136	120	134	148	133	152	162	145	cal yr
Transportation Permits Issued	189	214	200	269	219	207	255	298	236	cal yr
HEALTH AND SANITATION										
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	616	297	221	262	241	240	226	168	110	78
Animal Care (BU 2860)										
Adoptions, Cat	163	184	238	390	390	364	355	312	315	264
Adoptions, Dog	632	560	518	472	477	454	401	385	345	238
Spays and Neuters	2,063	1,329	1,304	1,343	1,295	1,398	1,339	1,470	1,282	1,046
Licenses Sold	12,123	11,543	11,466	10,246	10,309	10,128	10,199	10,729	10,609	10,140
Emergency Medical Services (BU 4016)										
Service Calls	5,695	6,463	7,489	8,031	8,441	8,934	9,093	13,660	14,037	12,186
Environmental Health (BU 4011)										
Well Permits Issued	118	165	248	225	204	224	183	156	240	410
Mental Health (BU 4050)										
AVG Days, Request to Assessment [1]	21	13	10	8	9	6	6	6	4	cal yr

Notes:

1. State AVERAGE is 7 days (s*ource: CalEQRO, or BHC, FY 2019-20 Statewide External Quality Review Report prepared for CA DHCS).* AVERAGEs have been rounded to the closest whole number.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC ASSISTANCE										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse	687	812	902	912	935	929	840	817	669	cal yr
In-Home Supportive Services Case-load	1,680	1,732	1,729	1,759	1,708	1,733	1,788	1,760	1,759	cal yr
Aid to Indigents (BU 5190)										
Regular General Assistance	969	916	756	576	587	565	524	490	108	cal yr
CalWORKS (BU 5130)										
Welfare to Work Participants	1,019	1,209	1,284	1,215	1,032	887	912	942	917	cal yr
Out-of-Home Care, AVG Monthly Case-load (BU 5010)										
Foster Care Ongoing	225	249	284	272	293	278	271	388	255	cal yr
Court Dependent Children	225	249	284	272	293	278	271	374	255	cal yr
Aid to Adoptions	*nda*	340	340	340	340	340	352	392	392	cal yr
Military and Veterans Affair Caseload Items (BU 5010)										
Claims Filed	1,111	894	1,181	1,456	917	902	760	1,318	1,280	cal yr
Veterans Transported to VA Medical	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	nda	nda	nda
Social Services (BU 5010)										
CalFresh	10,627	10,470	10,537	10,443	9,981	9,681	11,162	11,564	11,683	cal yr
Medi-Cal	16,461	17,037	19,615	22,217	24,202	23,784	34,894	33,554	33,746	cal yr
EDUCATION										
Library (BU 6110)										
Customers Visiting Library [1]	337,470	431,966	484,180	455,907	458,529	460,870	444,806	451,329	294,599	27,971

Notes:

1. Customers Vising Library is extremely low for FY 2021 due to COVID. We actually provided much curbside services outside the Library, but traditionally library visitor statistics are only counted when the visitors come inside the building.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
CAPITAL ASSET STATISTICS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EDUCATION										
Branch Libraries	5	5	5	5	5	5	5	5	5	5
Bookmobiles	1	1	1	1	1	1	1	1	1	1
HEALTH/PUBLIC ASSISTANCE										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	27	30	31	29	33	45	52	52	52	56
FACILITIES, RECREATION & CULTURAL										
Buildings [1]	98	98	98	98	98	98	98	98	101	103
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	nda	nda
SHERIFF										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	45	45	44	46	49	52	54	54	54	52

Notes:

1. 2021 Additions:
   - Whitmore Lane Skilled Nursing Facility (an alternate care site for COVID-19 isolation)
   - Live Oak Apartments (Project Homekey transitional housing for homeless)

nda - No data available

Source: County Departments

MENDOCINO
1850
COUNTY

From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
Date: 7/14/2022 4:37:20 PM
Subject: RE: Moody's Request for Information
Attachments: 2021 County of Mendocino ACFR.pdf

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Thursday, July 14, 2022 4:35 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Re: Moody's Request for Information

Hi Chamise,

Thank you for your note. It would be great if you could forward the report to me as well. Just don't want to miss this in any case.

Thank you once again!

Best,
Abhinav

Get Outlook for iOS

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:33:20 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

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Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The report was just submitted at 4:13pm to MoodysPFGAudits@Moodys.com

Do you also need the report?

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Thursday, July 14, 2022 10:05 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>

Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your email. Looking forward to receiving the reports by COB Friday (07/15).

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 13, 2022 5:40 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We just received the final review copy this afternoon and hope to have it officially issued by end of this week.

We will send to you as soon as its available.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Wednesday, July 13, 2022 4:11 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Hope this email finds you well. I am writing to follow up on the earlier communication. I was hoping to check if the financial statements (ACFR) have been issued. If yes, could you please provide them before the end of this week? If the final audited statements have not been issued yet, please provide unaudited statements. This will prevent the rating from going under review.

Let me know if you have any additional questions.

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 4:28 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

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Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County informa on across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond ra ng on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this ra ng, we require mely financial informa on from all of the pool par cipants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information byThursday, June 30, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

.....
Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com
.....

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COUNTY OF

MENDOCINO

STATE OF CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the
Fiscal Year Ended
June 30, 2021

Prepared and submitted by the Office of the
Auditor-Controller/Treasurer-Tax Collector,
Chamise Cubbison

– COVER PHOTO –
Wages Creek Beach, Westport, CA; photo by Megan Miltimore

COUNTY OF MENDOCINO

STATE OF CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared and submitted by
The Office of the Auditor-Controller/Treasurer-Tax Collector
Chamise Cubbison

MENDOCINO
1850
COUNTY

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MENDOCINO
1850
COUNTY



INTRODUCTORY SECTION

– INTRODUCTORY SECTION PHOTO –
Montgomery Woods, Ukiah, CA; photo by Megan Miltimore

MENDOCINO COUNTY

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

(707)234-6860··FAX (707)467-2503·501 LOW GAP ROAD, ROOM 1080, UKIAH, CALIFORNIA 95482

CHAMISE CUBBISON

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

July 14, 2022

To the Citizens of the County of Mendocino and the Board of Supervisors:

I hereby submit this year's Annual Comprehensive Financial Report ("ACFR") of the County of Mendocino for the fiscal year ended June 30, 2021. This ACFR is intended to present information above and beyond what is required by Generally Accepted Accounting Principles ("GAAP") or state law.

It is my hope that this report will give the residents of Mendocino County, the Board of Supervisors, and other users a broader view and understanding of County financial operations and to further assist the users of our financial statements in assessing the financial condition of the County.

This ACFR is in compliance with Sections 25250 and 25253 of the Government Code of the State of California. These statues require all general-purpose local governments to issue an annual report on the financial position and activities of that government. The report must be presented in conformance with GAAP and must be audited by an independent firm of certified public accountants ("CPA") in conformance with Generally Accepted Government Auditing Standards ("GAGAS"). The financial statements contained in this ACFR meet these requirements.

This report contains management representations and is prepared by the Office of the Auditor-Controller/Treasurer-Tax Collector. Mendocino County management is responsible for the accuracy of the presented data, and the completeness and fairness of the presentation. To provide reasonable assurance of accuracy of the information presented in these financial statements and to protect County assets, management has instituted an internal control framework. This framework consists of policies, procedures and computer-based accounting and management information systems sufficient to ensure reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements and accompanying Notes to the Financial Statements contained in this ACFR have been audited by CliftonLarsonAllen, LLC ("CLA"), a Limited Lability

Partnership of Certified Public Accountants. Their audit was performed in accordance with GAGAS. The auditors have concluded, based on their audit, that the financial statements combined with the accompanying Notes present fairly, in all material respects, the financial condition of Mendocino County as of June 30, 2021. A copy of their report is included in the Financial Section of this ACFR.

In planning and performing the audit of the financial statements, CLA considered the internal control structure of the County in order to determine appropriate audit procedures. During this review, one material weakness was noted. This information was presented in a letter to the Board of Supervisors and management.

Management is required by GAAP (GASB 34) to provide a Management Discussion and Analysis ("MD&A") in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County. The MD&A is located in the Financial Section of this ACFR.

OVERVIEW OF MENDOCINO COUNTY

County History and Geography

Mendocino County is one of the original counties of California. It was created in 1850 at the time of statehood, and derives its name from Cape Mendocino. Mendocino County lies along the northern coast of California, and is noted for its distinctive Pacific Ocean coastline, which stretches from the "Lost Coast" on its northern border to the small seaside town of Gualala on its southern border.

With an area of 3,878 square miles, Mendocino County encompasses 3,506 square miles of land and 372 square miles of water. The County is located about 100 miles north of San Francisco. Mendocino County borders six other California counties: Humboldt and Trinity to the north, Tehama, Glenn and Lake to the East, and Sonoma to the south.



Jug Handle Beach, Fort Bragg, CA; photo by Megan Miltimore



Majestic Redwoods

Mendocino County is also known for its majestic redwood forests, which provide many areas for residents and visitors alike to enjoy the quietude and serenity of their primordial presence.

The timber/forest products and wine grapes and wine production industries support a large part of the County's local agricultural economy, while its unspoiled beauty and rural setting provides niche markets for microbreweries, artisans and a developing cannabis production industry.



Timber production



Wine production



Bartlett pears



Cannabis

County Structure

The County is a general law county. The County government is comprised of ten elected officials including a five-member Board of Supervisors, the Assessor-Clerk-Recorder, the Auditor-Controller/Treasurer-Tax Collector, the District Attorney, the Sheriff, and the Treasurer-Tax Collector; all elected to four-year terms. A County Chief Executive Officer ("CEO") is appointed by the Board of Supervisors.

The accounts of the County are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which the spending activities are controlled.

County Services

The County government provides a full range of public services including public safety, roads and facilities, social services, health services, administrative services, sanitation services, library services and leisure services. Typically, the department heads who oversee the County's various public service operations, other than elected department heads, report to the Chief Executive Officer (CEO).

The Ukiah Administration Center at 501 Low Gap Road houses most of the County's business services, including the offices of the Assessor-Clerk Recorder, Elections, Environmental Health, Planning & Building and the Treasurer-Tax Collector. The Administration Center in Ukiah also houses the offices of the Mendocino County Board of Supervisors, the Chief Executive Officer, the Auditor-Controller/Treasurer-Tax Collector, County Counsel, the Prevention, Recovery, Resiliency and Mitigation Division, and the County's various internal support departments, including Human Resources and Information Services.

The Mendocino County Sheriff-Coroner administration offices, Jail and Juvenile Hall, and Probation are also located in Ukiah. Sheriff Substation facilities are located in Fort Bragg and Willits, and limited facility outpost substations are in Mendocino and Redwood Valley.



Mendocino County Administration Center, Ukiah, CA



Mendocino County Sheriff's Office, Ukiah, CA

Other Ukiah-based facilities include the offices of the District Attorney, Agriculture, Alternate Defender, Animal Care, Child Support, Cultural Services, Public Defender, Transportation and county support facilities of Central Services and Facilities and Fleet.

Mendocino County's Health and Human Services Departments, including behavioral health, public health, and veterans' and social services, have facilities in Ukiah, Fort Bragg and Willits.



Mendocino County Health & Human Services/Public Health, Ukiah, CA

County Cultural Services & Recreation

Mendocino County's Cultural Services Agency strives to enrich the quality of life for all residents of Mendocino County through maintaining and improving the services of the Mendocino County Library Branches and the County Museum.

County Libraries: Mendocino County maintains community libraries in Ukiah, Fort Bragg, Willits, Point Arena (Coast Community Branch Library), and Covelo (Round Valley Branch Library), and a Book Mobile that brings mobile library services to many smaller communities throughout the County. In 2022, the new Laytonville Branch Library is slated to open it's doors, offering a small but comprehensive book collection, public internet and computer use, Wi-Fi, and printing and copy services. For more information regarding the Mendocino County Libraries, visit their website at: https://www.mendolibrary.org/home

County Museum: The County maintains the Mendocino County Museum in Willits, which houses a thoughtfully curated collection of the artifacts of Mendocino County's cultural heritage. Permanent exhibits feature Pomo and Yuki basketry, antique stagecoaches, recovered wreckage from a famous shipwreck off the Mendocino Coast, and old signs and storefronts from historic Willits businesses. Temporary installations have covered the Civil

War's impact on Mendocino County residents, vintage toys, local Veterans' stories, and famous personages of the county's past.



Mendocino County Museum, Willits, CA

During the pandemic, the museum offered virtual community exihibits. The museum's website currently offers a collection of digital exhibits and videos that showcase unique collections, the County's history, culture, natural resources, as well as activities for kids and links to other online resources. Video and digital programs can be found under the "+ Engage" tab of the museum's website:

https://www.mendocinocounty.org/government/cultural-services-agency/museum

County Parks: Mendocino County Facilities Department operates and maintains County-owned and/or maintained parks and recreation areas throughout the County, including developed community parks in Gualala, Boonville, Philo, Ukiah, Talmage and Redwood Valley.


Bower Park


Faulkner Park

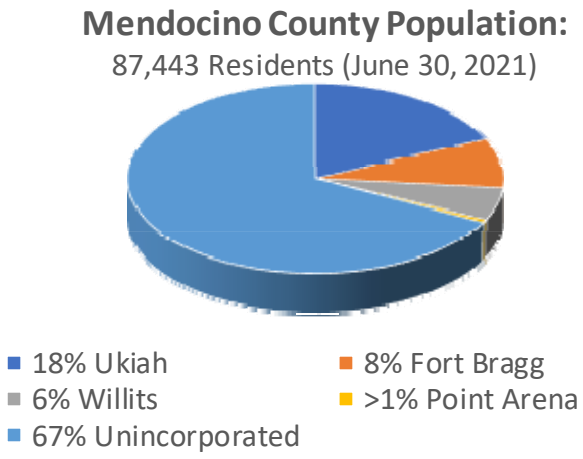

Mill Creek Park


RV Lions Club Park

County Population

The County has historically maintained a relatively stable population base. The current estimate for 2021 is 87,443 people. [1] This is a 1% decrease from the prior year.About 67% of the County's population is located around the County's four incorporated cities. The City of Ukiah serves as the County seat, and is the County's largest incorporated city, with an estimated 2021 population of 15,957.


Ukiah, CA



1.Source: https://worldpopulationreview.com/us-counties/ca/mendocino-county-population

The three other incorporated cities of Mendocino County are Fort Bragg, Willits and Point Arena, with estimated 2021 populations of 7,299, 4,815 and 431, respectively.



Fort Bragg, CA



Willits, CA



Point Arena, CA

LOCAL ECONOMY

Agribusiness

Per the Mendocino County 2020 Crop Report, the total gross agricultural value for all commodities produced in 2020 was $223 million, an 18% decrease from the prior year's total value of $272 million. The COVID-19 pandemic had a negative effect on many sectors of the Agribusiness economy, primarily disrupting labor supply.

Timber

Timber was the leading agricultural commodity in 2020, with a gross production value of $94 million. Timber is down 14% or $16 million in 2020 over the prior year's total production value of $110 million. The timber production industry accounted for 42% of all agribusiness in Mendocino County in 2020. This is down 1% over the prior year's ratio of timber to total agribusiness. Mendocino County ranked 4th in the state timber volumes and produced roughly 8% of California's timber harvest in 2020. [1] The timber industry provides 360 jobs [2] within the County and plays an important role in our County's economic health. Sustainable timber harvesting reduces wildfire risk and improves forest health and wildlife habitat.



Agricultural Production

Agricultural production, excluding timber, totaled $129 million in 2020, down 20%, or $33 million, over the prior year. [1] For the first time in many years, wine grapes were only the second leading commodity, following timber. With a total 2020 value of $82 million, wine grape production decreased 28% from the prior year production value of $114 million. Wine grapes accounted for 37% of all agribusiness in Mendocino County in 2020, a decrease of 5% over the prior year's ratio of wine grapes to total agribusiness. The agriculture industry currently provides 1,780 jobs within the County. [1] Crop values fluctuate yearly based on economic, production, market, and weather conditions.

Sources:

1. Mendocino County Crop Report 2020

2. State of California Employment Development Department (QCEW industry estimates)

Cannabis

On Tuesday, April 4, 2017, the Board of Supervisor adopted the Chapter 10A.17 and Chapter 20.242 regulating cannabis cultivation in Mendocino County.

Mendocino County's first Cannabis Report details licensed cannabis cultivation for 2020:

Total licenses (provisional & approved): 1,310
Total cultivated area (indoor/mixed light/outdoor): 11.2 million square feet (291 acres)
Total production: 192,541 pounds, with a gross value of $131 million.





Labor Force and Unemployment

The labor force for Mendocino County in June of 2021 was 37,150 people, of which 2,460 were unemployed. Total labor force decreased by 160 people from the prior year, while the number of unemployed persons decreased by 2,080. The unemployment rate in Mendocino County was 6.6% as of June 2021, 5.8% lower than the June 2020 rate of 12.4%. The County's unemployment rate as of June 2021 was 1.6% lower than the June 2021 state unemployment rate of 8.2%. [1]



Real Estate/Housing

The median home price in Mendocino County increased by 27.3% in fiscal year 2021. The 12-month fiscal year average rose from $414,800 to $528,200. [2]

The median home price has generally increased each year since April 2012, when it was $305,000. The average median home price for FY 2022 is forecasted to remain relatively level.

BUDGETARY PROCESS

The County is required by State law to adopt a balanced budget by July 1 of each fiscal year. Budgets are adopted for the general fund, special revenue funds, debt service funds, internal service funds and capital project funds. The legal level of budgetary control is at the Department Budget Unit level. Budget data is prepared on the modified accrual basis consistent with comparable actual amounts.

Source:
1. State of California Employment Development Department, LMI by Counties, Historical Civilian Labor Force
2. California Association of Realtors, data values by month, July 2019-June 2021

Encumbrance accounting is utilized during the year for budget control purposes. Unspent encumbered budget appropriations lapse at the end of the fiscal year. Board of Supervisors policy requires re-appropriation of carryover capital improvement projects on an annual basis after review of each project status.

The board approves supplemental appropriations, which are normally financed by unanticipated revenues during the year.

Factors Affecting Financial Condition

Pandemic relief initiatives dominated the financial and operational systems of our County throughout the fiscal year of 2020-21. The County is fully utilizing federal and state COVID-19 relief funding to help address the COVID-19 response, to meet the needs of its residents and better prepare our County to respond to disasters.

COMPONENT UNITS

This report includes all the funds of the County of Mendocino and the entities described in Note 1 of the Notes to Basic Financial Statements. Although all these entities are legally separate from the County, the County Board of Supervisors serve as the governing board of each entity, and the entities meet the test required by GAAP to be presented as blended component units in the County's Financial Statements.

Also of note, individual financial statements are available for some of the component units referenced in Note 1 and are available upon request by contacting the Office of the Mendocino County Auditor-Controller/Treasurer-Tax Collector.

LONG-TERM FINANCIAL PLANNING

The County funds a wide variety of services for the citizens of Mendocino County including public health, public safety, planning & building services, health and social services, and road maintenance, among others.

The Adopted Budget for Fiscal Year 2021-22 is a work plan for the County, but is contingent on many variables, including federal and state funding. It represents the Board of Supervisors and County Managements' goals and priorities for the future of the County, including fiscal stability, financial sustainability, organizational development, and maintaining or improving current levels of service to the public. The County continues to invest in disaster response and recovery, pay down debt and maintain strong reserves, while also investing in the organization's future through employee compensation, the Leadership Initiative program, and recruitment and retention practices.

Other priorities the 2021-22 fiscal year budget focuses on include:

- economic recovery and resiliency,
- continued support for COVID-19 response,
- delivering services more efficiently and cost effectively,
- improving public access to County services via the internet,

- investing $4.7 million towards deferred maintenance and infrastructure projects, and
- other Board-allocated funding priorities, including fire and emergency medical services, disaster recovery, Planning and Building services, and support for the County's community partners.

Appropriations

The final fiscal year 2021-22 budget for all governmental funds authorized a $348,817,299 spending level, which is an increase of $13.5 million (4%) over the $335,324,649 budgeted in fiscal year 2020-21 for all governmental funds.

The General Fund budget authorized spending of $233,628,540, an increase of $10.4 million (4%) over the prior year budget of $223,628,540. [1]

Capital Improvements

Each year a 5-year Capital Improvement Program (CIP) plan is compiled for short-range and long-range capital improvements, projects, acquisitions, and development (including plans for improving or rehabilitating County-owned infrastructure). The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs.

The five-year CIP does not appropriate funds; rather it serves as a budgeting tool, identifying those Capital Project appropriations to be made through the adoption of the County's annual budget.

Total 2021-22 appropriations for Capital Improvements and Projects is $12,671,825, [1] up $3.2 million, or 33%, from the prior year CIP plan total of $9,498,116. This includes $3 million reserved exclusively for projects developed through the Mendocino County Mental Health Treatment Act.

Many of these capital improvements and projects are multi-years projects.

RELEVANT FINANCIAL POLICIES

Balanced Budget: The County Executive Officer (CEO) and Auditor-Controller (AC) shall present a balanced budget for all County operating funds on an annual basis.

Ongoing Budget Administration: The CEO prepares and presents quarterly budget updates to the Board of Supervisors. These reports consist of year-to-date information including County department revenue, the County's discretionary revenues, expenditures levels, new and upcoming issues that may affect the budget, and other related information.

Source:
1. Mendocino County Adopted Budget, FY 2021-22

Budget Priorities: The budget is developed within the framework of the Board of Supervisors' current goals of Fiscal Stability, Financial Sustainability, Organizational Development, Investing in Roads and Economic/Business Development, Support for Emergency Services, Disaster Recovery, Local Homeless Issues, and Supporting Community Partners.

Use of "One-Time" Funds: One-time revenue shall be dedicated for use for one-time expenditures. Annual budgets will not be increased to the point that ongoing operating costs become overly reliant upon cyclical or unreliable one-time revenues.

Formal Debt Policy: A comprehensive Debt Management Policy was developed by the CEO and AC and was approved by the Debt Advisory Committee. It was adopted by the Board of Supervisors on April 24, 2012.

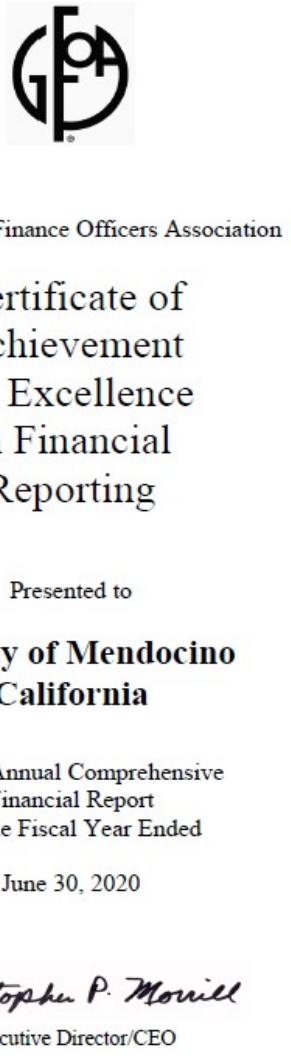
Cost Recovery through Fees: Whenever possible, utilize fees to recover costs where reasonable and after all cost savings options have been explored.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement (COA) for Excellence in Financial Reporting to the County of Mendocino for its Annual Comprehensive Financial Report (ACFR) for fiscal years ending June 30, 2018-2020.

To be awarded a COA, the ACFR must be judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report. It is the highest form of recognition in governmental accounting. The County of Mendocino is proud to have submitted an ACFR and received a COA for these fiscal years, and would like to acknowledge and thank all related parties for their contributions to this significant accomplishment.

While the COA is valid only for the report to which it is awarded, we are hopeful that the County of Mendocino's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, continues to meet these high standards.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Mendocino California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, would not have been possible without the efficient and dedicated services of the accounting and auditing staff of the Auditor-Controller/Treasurer-Tax Collector's Office. We would like to acknowledge our independent auditors, Clifton Larson Allen, LLP, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its interest, support and action to ensure the continued fiscal health and integrity of the County.

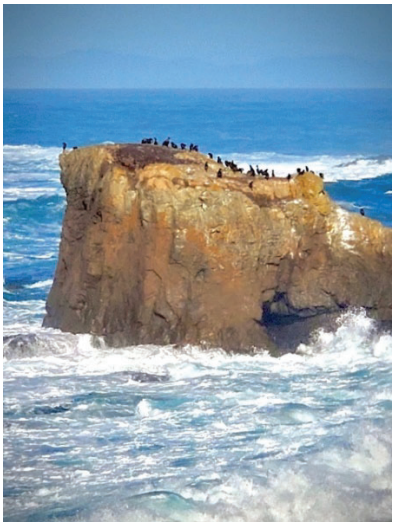
Respectfully Submitted:

Chamise Cubbison

Auditor-Controller/Treasurer-Tax Collector







Point Cabrillo Light Station, Mendocino, CA; Penguin Rock; photos by Lloyd Weer

MENDOCINO
1850
COUNTY

COUNTY OF MENDOCINO
BOARD OF SUPERVISORS AND SUPERVISORIAL DISTRICTS
JUNE 30, 2021





Glenn McGourty
District 1



Mo Mulheren
District 2



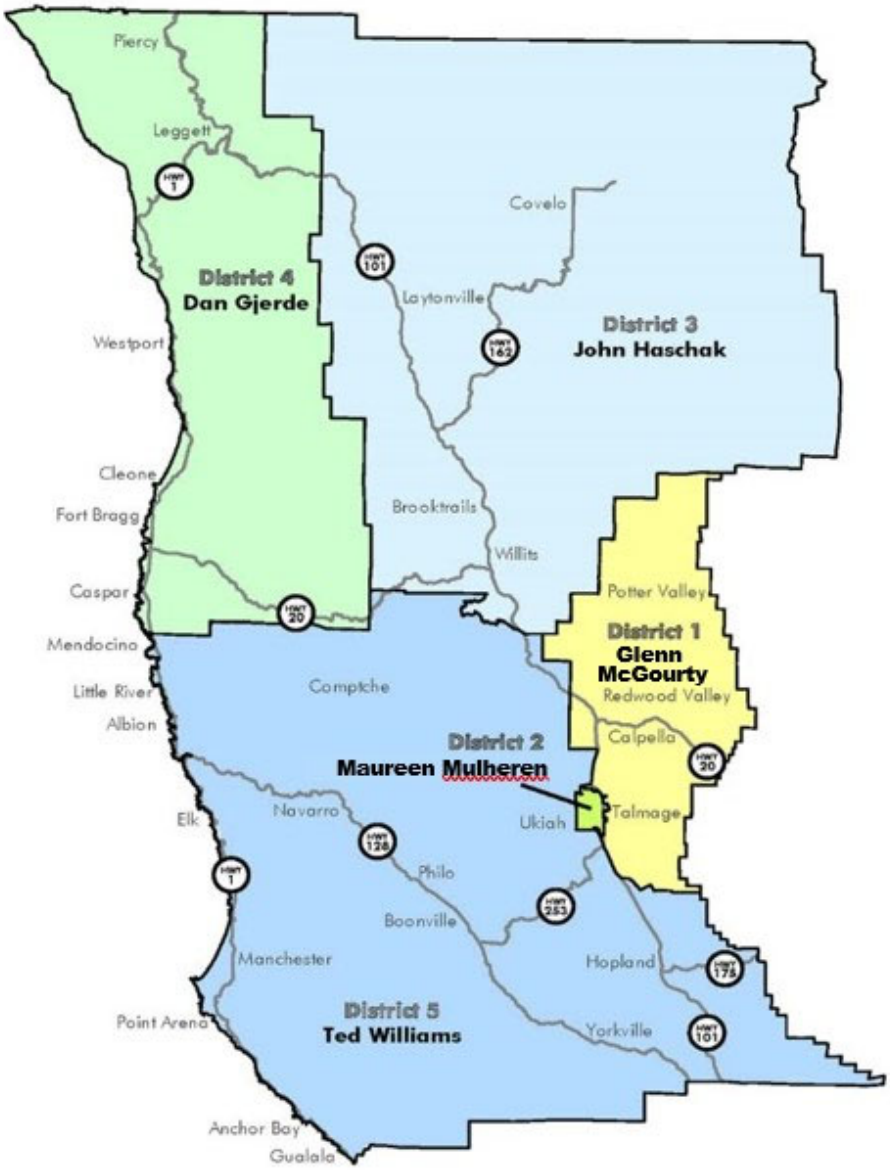
John Haschak
District 3



Dan Gjerde
District 4



Ted Williams
District 5



COUNTY OF MENDOCINO
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2021

Elected Officials:

Legislative Branch/Board of Supervisors:

District 1 ..... Glenn McGourty
District 2 ..... Maureen Mulheren
District 3 ..... John Haschak
District 4 ..... Dan Gjerde, Chair
District 5 ..... Ted Williams, Vice Chair

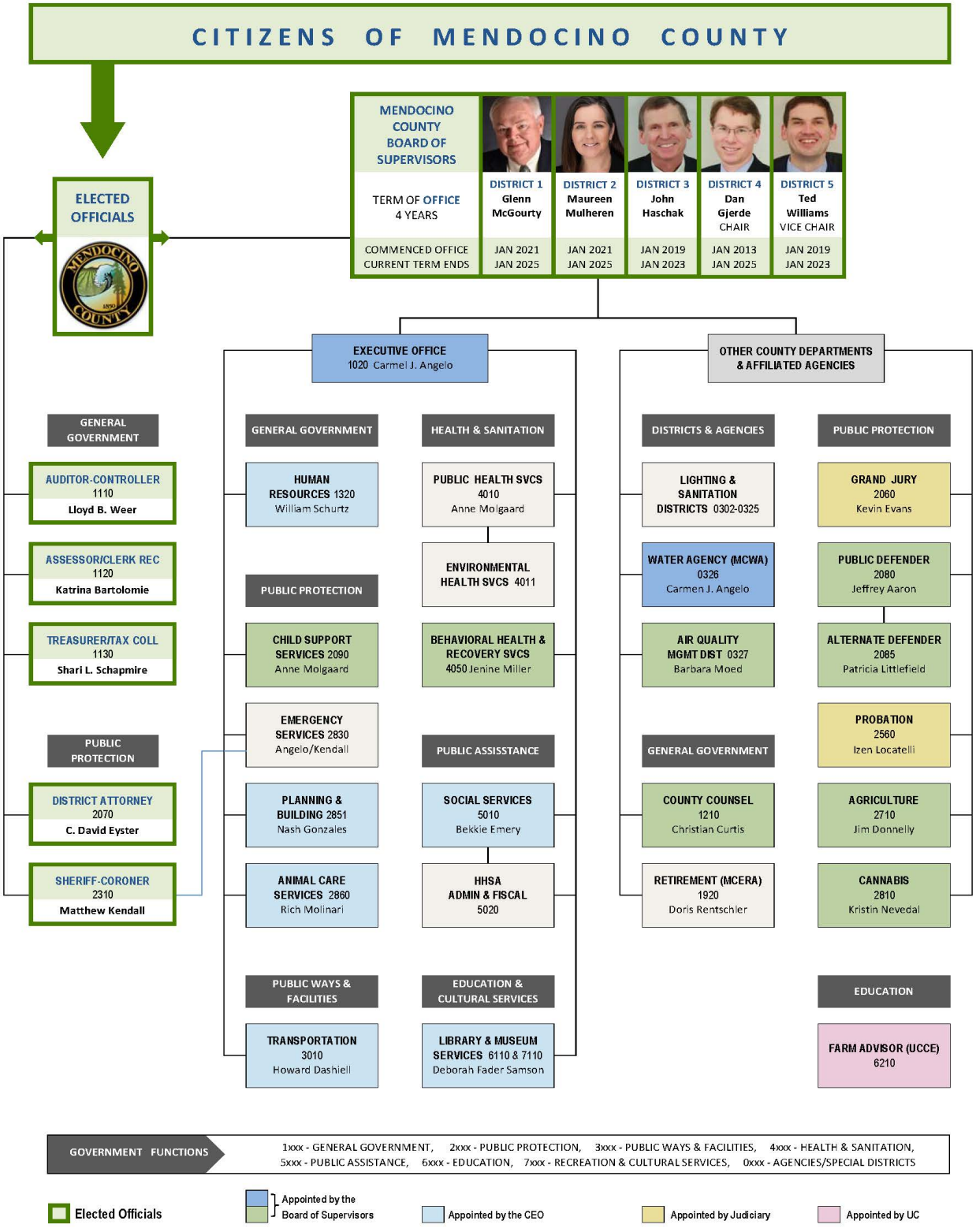
Executive Branch:

Assessor-County Clerk-Recorder ..... Katrina Bartolomie
Auditor-Controller ..... Lloyd B. Weer
District Attorney ..... C. David Eyster
Sheriff-Coroner ..... Matthew Kendall
Treasurer-Tax Collector ..... Shari L. Schapmire

Appointed Department Heads:

Agricultural Commissioner/Sealer ..... Jim Donnelly
Alternate Defender ..... Patricia Littlefield
Animal Care Services Director ..... Rich Molinari
Chief Executive Officer ..... Carmel J. Angelo
Chief Probation Officer ..... Izen Locatelli
Child Support Services Director ..... Anne Molgaard
County Counsel ..... Christian Curtis
Cultural Services Director ..... Deborah Fader Samson
Health and Human Services Agency Director ..... Bekkie Emery
Human Resources Director ..... William Schurtz
Planning and Building Director ..... Nash Gonzalez
Public Defender ..... Jeffrey Aaron
Retirement Association Executive Director ..... Doris Rentschler
Transportation Director ..... Howard Dashiell

COUNTY OF MENDOCINO
ORGANIZATION CHART
JUNE 30, 2021



MENDOCINO
1850
COUNTY



FINANCIAL SECTION

– FINANCIAL SECTION PHOTO –
Low Gap Park, Ukiah, CA; photo by Megan Miltimore

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Supervisors and Grand Jury
County of Mendocino
Ukiah, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Mendocino, California, (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit Mendocino County Employees' Retirement Association (MCERA) which represents 100 percent of the assets, liabilities, and revenues of the pension trust fund a fiduciary fund type component unit. These financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion as it relates to the amounts included for the MCERA is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior period adjustments

As disclosed in Note 8 to the financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net pension liability and the schedule of the County's contributions, and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

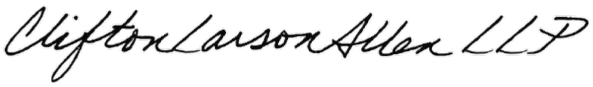
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund statements and schedules, other budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedules and other budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



CliftonLarsonAllen LLP

Roseville, California
July 14, 2022

MENDOCINO
1850
COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Annual Comprehensive Financial Report.

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COUNTY

This section of the County of Mendocino (the County) Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements following this section.

Financial Highlights

- The County's government-wide assets and deferred outflows of resources from governmental activities exceeded its liabilities plus deferred inflows of resources at the close of the 2021 fiscal year by $43,604,461 net position. Of this amount, there was a deficit of $(191,378,417) in unrestricted net position. Beginning in FY 2015, GASB 68 required all counties to recognize their pension liability as a deficit in unrestricted net position on their financial statements. This caused most counties to show a deficit in their overall net position. In fiscal year 2021, Mendocino County has improved their positive net position from $19,647,104 at the beginning of the year to $43,604,461 at fiscal year-end. Restricted net position of $105,021,444 represents resources that are subject to external restrictions on their use. The remaining $129,961,434 represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets.
- The County's total net position increased by $20,535,443 during the current fiscal year. The increase in net position represents the degree to which revenues exceeded expenses, an indication that the financial position of the County continues to improve. The primary reason for the increase was due to COVID aid operating grants and contributions, as well as an increase in sales tax revenue.
- As of June 30, 2021, the County's governmental funds reported a combined ending fund balance of $137,252,928. This was an increase of $5,714,486 in comparison with the prior year. Total Revenues increased overall by $7.6 million. A decrease of $22.4 million in Other Revenues, due to the PG&E settlement recorded in the prior year, was tempered by a $14.2 million increase in revenue from Taxes and a $16.2 million increase in Intergovernmental Revenue. Expenditures increased by $41.1 million. Notable increases include $12.9 million in Health and Sanitation, due to state and federal funding and grant funding for the pandemic response and homeless housing programs, and $15.2 million in Capital Outlay, due to:
  - the federally funded purchase of an alternate site for COVID isolation,
  - the Mental Health Treatment Act, which funded the remodel of the Behavioral Health Training Center and the construction of the new Crisis Residential Treatment Facility, and
  - the Project Homekey effort, which funded the purchase of a local motel suitable for homeless housing.
- At the end of the fiscal year, the general fund reported an ending fund balance of $80,986,874, of which $263,472 was nonspendable, $8,714,288 was restricted, $50,403,951 was assigned, and $21,605,163 was unassigned.
- Total long-term debt (bonds payable, certificates of participation) decreased by 11% ($6,670,000), to $54,365,000, during the 2020-21 fiscal year.

Overview of the Financial Statements. Management's discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the Financial Statements. In addition to the financial statements, Required Supplementary Information is included to provide additional detail to support the financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. It is comprised of a statement of net position and statement of activities.

The statement of net position presents information on all County assets, liabilities and deferred outflows/inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees, fines and charges for service. The governmental activities of the County include: General Government, Public Protection, Public Ways and Facilities (Transportation), Health and Sanitation, Public Assistance, Education, Recreation and Culture, and Debt Service and Contingencies. Internal Service Funds that provide insurance coverage, computer software acquisition and vehicle replacement are also included in governmental activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also several legally separate lighting districts, a sanitation district, a water agency, an air quality management district, and a public facilities corporation for which the County is financially accountable. Financial information for these component units, with the exception of the Water Agency and Air Quality Management District, is reported separately from the financial information presented for the primary government itself. The Water Agency and Air Quality Management District, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and charges in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 22 individual governmental funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for all major funds: the General Fund, the Debt Service Fund, the Pension Obligation Bonds Fund, the Mental Health Services Fund, the Road Fund, the Mental Health Treatment Fund, and the Disaster Recovery Fund. The Disaster Recovery Fund has newly become a major fund. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The disaster recovery fund was previously grouped with these nonmajor governmental funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The County maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, its management information systems and for self-insurance coverage. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found in the other supplementary information section of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by $43,604,461 at the close of the 2020-21 fiscal year.

	Governmental Activities*	
	2021	2020
ASSETS		
Current and Other Assets	$ 188,445,916	$ 177,584,027
Capital Assets	145,646,678	125,128,190
Total Assets	334,092,594	302,712,217
DEFERRED OUTFLOWS OF RESOURCES	54,038,138	28,607,466
LIABILITIES		
Other Liabilities	23,502,462	24,648,301
Long-Term Liabilities	320,982,192	286,852,798
Total Liabilities	344,484,654	311,501,099
DEFERRED INFLOWS OF RESOURCES	41,617	171,480
NET POSITION		
Net Investment in Capital Assets	129,961,434	109,188,190
Restricted	105,021,444	70,808,211
Unrestricted	(191,378,417)	(160,349,297)
Total Net Position	$ 43,604,461	$ 19,647,104

The largest portion of the County's net position, $129,961,434, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

* Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

Another portion of the County's net position, $105,021,444, is restricted net position and represents resources that are subject to constraints by either external creditors or government entities or by law through constitutional provisions or enabling legislation.

The County's unrestricted net position balance of $(191,378,417) is in large part due to reporting the County's pension liability on the statements to comply with the GASB 68 accounting standard.

Governmental Activities. Governmental activities increased the County's net position by $20,535,443 during the current fiscal year.

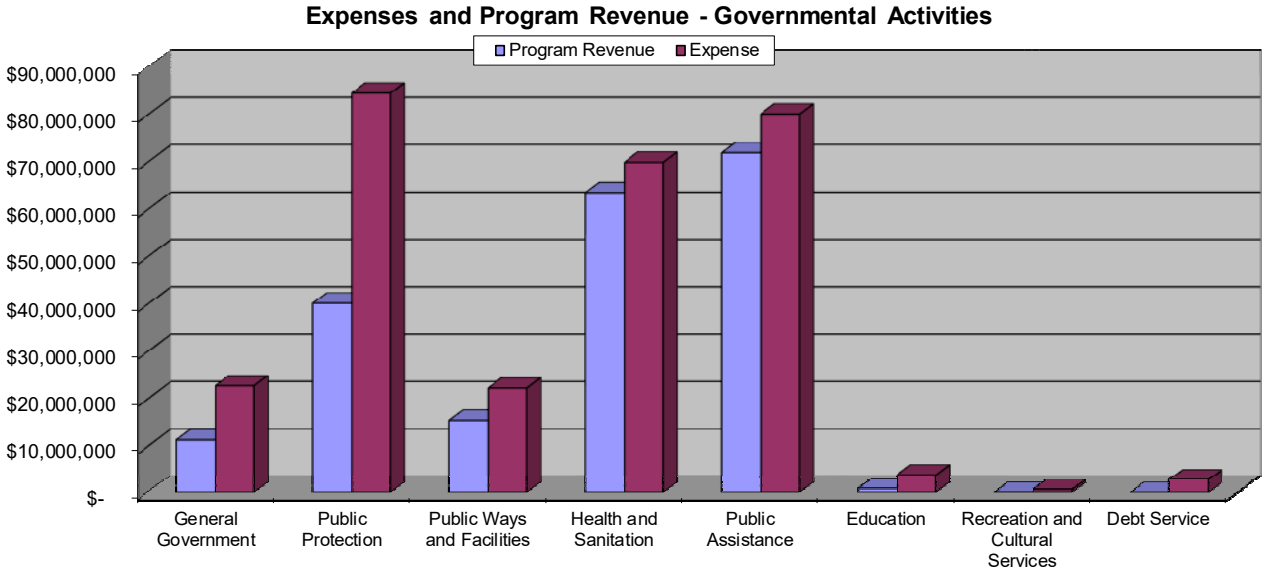
	2021	2020
REVENUES		
Program Revenues:		
Fees, Fines, and Charges for Services	$ 22,902,671	$ 21,148,724
Operating Grants and Contributions	177,463,841	145,480,971
Capital Grants and Contributions	3,404,935	3,191,180
General Revenues		
Property Taxes	55,714,699	51,499,607
Sales and Use Taxes	31,030,406	24,742,692
Other Taxes	14,687,868	11,012,247
Unrestricted Interest and Investment Earnings	549,173	3,141,102
Settlement Revenue	-	22,651,738
Miscellaneous	2,374,770	2,135,981
Total Revenues	308,128,363	285,004,242
EXPENSES		
General Government	22,850,862	22,640,298
Public Protection	84,641,799	77,463,973
Public Ways and Facilities	22,349,873	22,549,963
Health and Sanitation	70,043,960	57,374,389
Public Assistance	80,229,727	77,122,026
Education	3,936,977	4,174,423
Recreation and Cultural Services	616,849	553,752
Interest on Long-Term Debt	2,922,873	3,404,913
Total Expenses	287,592,920	265,283,737
CHANGE IN NET POSITION	20,535,443	19,720,505
Net Position - Beginning of Year, as Previously Stated	19,647,104	2,799,772
Prior Period Adjustment	3,421,914	(2,873,173)
Net Position - Beginning of Year, Restated	23,069,018	(73,401)
NET POSITION - END OF YEAR	$ 43,604,461	$ 19,647,104

Revenues increased by $23.1 million, or 8%, from the prior year. Revenue from operating grants and contributions increased by $32.0 million, or 22%, in FY 2021, due to COVID aid and additional governmental assistance for homeless services and other programs. This increase was significantly offset by a 100% decrease in settlement revenue, due to the prior year PG&E settlement of $22.7 million. Tax revenues increased overall by $14.2 million: notably, sales and use tax revenue by $6.3 million, or 25%; property tax revenue by $4.2 million, or 8%; and revenue from other taxes by $3.7 million, or 33%, which includes a $2.4 million, 51% uptick in room transient occupancy taxes (TOT), plus $.7 million of new campground/recreation facilities TOT (to be used for fire protection). Unrestricted interest and investment earnings saw a decrease of $2.6 million from the prior year, while program revenues from fees, fines and charges for services increased $1.8 million from prior year.

Expenses increased overall by $22.3 million, or 8%, from prior year. The largest increase was in health and sanitation, by $12.7 million, or 22%. Other increases include $7.2 million, or 9%, in public protection, and $3.1 million, or 4%, in public assistance. Increases were largely related to the continued pandemic response.

Because Internal Service funds predominantly benefit governmental rather than business-type functions they have been included within governmental activities.

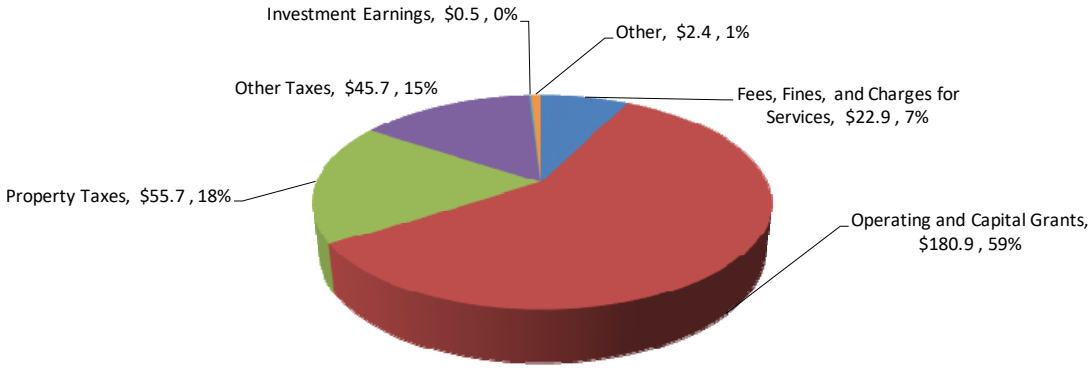
As shown in the following chart, program revenues are less than the expenses in all functional areas.



Expenses and Program Revenue

Governmental Functions	Program Revenue	Expense
General Government	$ 11,418,626	$ 22,850,862
Public Protection	40,267,034	84,641,799
Public Ways and Facilities	15,541,387	22,349,873
Health and Sanitation	63,635,073	70,043,960
Public Assistance	72,026,863	80,229,727
Education	872,820	3,936,977
Recreation and Cultural Services	9,644	616,849
Debt Service	-	2,922,873
Total Governmental Functions	203,771,447	$ 287,592,920
General Revenues (taxes, interest and investment earnings and miscellaneous)	104,356,916	
Total Revenues	$ 308,128,363	

Revenues by Source (in millions) - Governmental Activities



Of the $308 million of revenue received by the County, the largest portion comes from federal and state sources (approximately 59%). The second largest source comes from property taxes (18%). However, it should be noted that of every $1.00 collected in property tax approximately 63% benefits schools, with 30% going toward the funding of County services and programs. Cities receive 2% and Special Districts receive 5%. Only 30% of total revenue received is discretionary (not dedicated to particular services/programs).

Business-type activities. None of the County's funds are classified as business-type activities.

Financial Analysis of the Government's Funds. As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $137,252,928, an increase of $9,136,400 from the prior year. This includes a negative $(11.4) million fund balance in the disaster recovery fund, which was not a major fund in the prior year and has a negative fund balance at year end due to unpaid COVID-19 FEMA (Federal Emergency Management Agency) eligible costs which have been submitted to FEMA and are awaiting final approval and payment. The components of total fund balance are as follows:

- Nonspendable fund balance, $1,471,601, consists of amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventories.
- Restricted fund balance, $79,018,247, consists of amounts with externally imposed constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of funds (i.e., mental health treatment $26,951,085, IG/partnerships for health $9,632,919, mental health services $5,149,165, grant programs $4,103,797, roads $3,368,271, library $2,142,722, special districts $1,621,113, and whole person care $868,669), (2) pension obligation bonds $8,067,650 and debt service $2,004,034, and (3) amounts restricted for various other purpose restrictions $15,108,822.
- Assigned fund balance, $51,525,422, represents amounts that are intended for a specific purpose and are established by the Board of Supervisors, or an official body delegated by the

Board of Supervisors. The majority of these funds are held in special revenue funds to be used for the purpose of those funds while the remaining is set aside for specific purposes in the General Fund.

- Unassigned fund balance, $5,237,658, represents the General Fund's resources that are not classified in the three previous components and are considered available for spending at the government's discretion.

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, the General Fund's total fund balance was $80,986,874, and represents an increase of $10,637,501 during the 2020-21 fiscal year. The nonspendable portion of the total fund balance for the General Fund was $263,472, while the spendable portion was $80,723,402. As a measure of the General Fund's liquidity, it may be useful to compare both the total fund balance and the spendable fund balance to the total fund expenditures of $180,460,379. Spendable fund balance represents 44.7% of total fund expenditures, while total fund balance represents 44.9% of the same amount.

The debt service fund had a total fund balance of $2,004,034, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $4,970. Interest expenditures for the debt service fund decreased during the current period by $(41,650) to $635,498.

The pension obligation fund had a total fund balance of $8,067,650, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was $423,576. Interest expenditures for the pension obligation fund decreased during the current period by $(292,422) to $2,408,750.

The mental health services fund had a total fund balance of $5,149,165. The net increase in fund balance during the current year was $2,848,903, or 124%. This increase was due to CARES realignment backfill.

The road fund had a total fund balance of $4,009,429. The net decrease for the year was $(704,189), or (15)%. The decrease is due to completing multi-year road and bridge projects during FY 2020-21.

The mental health treatment fund had a total fund balance of $26,951,085, with a net increase of $8,432,301, or 46%, during the year. This increase is due to the continued receipt of sales tax proceeds in excess of expenditures.

The disaster recovery fund had a total fund balance deficit of $(11,386,009), with a net decrease of $(9,850,043), or (641)%, during the year. This decrease is due to unpaid COVID-19 FEMA (Federal Emergency Management Agency) eligible costs which have been submitted to FEMA and are awaiting final approval and payment.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the internal service funds at the end of the year was $2,694,365, a decrease of $(4,318,964), or (62)%, from prior year, due to higher than expected self-insurance claims.

General Fund Budgetary Highlights. Differences between the original budget and final amended budget are summarized below:

- Increase Non-Departmental Revenue (BU 1000) budgeted revenues $2,000,000 as follows:
  - $1,000,000 for unanticipated increase in current secured property tax revenue.
  - $1,000,000 for unanticipated increase in cannabis business tax revenue.

- Increase Non-Departmental Revenue (BU 1000) budgeted appropriations $6,675,000 as follows:
  - Capital improvements - $2,550,000 for the COVID Alternate Care Site roof and related improvements; $250,000 for Jail Expansion Project heat pump HVAC system; and $1,950,000 for various other capital projects, including Phase 3 of the administration center roof and HVAC project.
  - Organizational development - $1,000,000 for Justware case management software replacement; and $250,000 for Office 365 upgrade for Cloud Integration.
  - Financial stability, sustainability, and recovery and resiliency - $325,000 for recovery related to the 2020 fires; $200,000 for HGMP Fire Mitigation Grant; $100,000 matching funds for the Cannabis grant; and $50,000 for the Potter Valley Project.
- Increase Miscellaneous Budget (BU 1940) budgeted appropriations $3,461,432 as follows:
  - $1,800,000 for COLA salary and benefits increases.
  - $500,000 for salary compaction and alignment correction.
  - $500,000 for salary bargaining unit side letter (FTO).
  - $661,432 for correction to 2011 Realignment revenue to Community Corrections.
- Increase budgeted appropriations to various County departments to fund unanticipated COVID response, supplies and telework equipment funded by various CARES (Coronavirus Aid, Relief and Economic Security), FEMA and ELC (Epidemiology and Laboratory Capacity) program grants.

Differences between the final amended budget and year-end actuals are summarized below:

- Increase Non-Departmental Revenue (BU 1000) actual revenues by $22,652,909 for a Prior Period Revenue from the PG&E Fire settlement.
- Increase Non-Departmental Revenue (BU 1000) actual revenues by $7,172,512 (net) for unanticipated increases (and decreases) in various tax revenue.

Capital Asset and Debt Administration.

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2021, amounts to $145,646,678 (net of accumulated depreciation).

This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was $20,518,488 (16%). This overall increase was due to the completion of two bridge projects and facilities improvements. Additional details of capital assets are in Note 5.

	2021	2020
CAPITAL ASSETS		
Land	$ 2,928,621	$ 2,928,621
Structures and Improvements	41,861,858	38,021,098
Improvements Other than Buildings	994,896	1,232,366
Equipment	9,782,971	8,054,282
Infrastructure	59,857,159	56,365,036
Construction in Progress	30,221,173	18,526,787
Total Capital Assets	$ 145,646,678	$ 125,128,190

Long-Term Debt. At the end of the current fiscal year, the County has long-term debt outstanding of $54,365,000.

	2021	2020
OUTSTANDING DEBT		
General Obligation Bonds	$ 39,655,000	$ 45,095,000
Certificates of Participation	14,710,000	15,940,000
Total	$ 54,365,000	$ 61,035,000

The County's total long-term debt decreased by $6,670,000 (11%) during the current fiscal year. The key factor in this decrease was an increase in principal payments on both the pension obligation bonds and the certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its total assessed valuation of property within the County. The current assessed valuation is $12,636,231,964 and the current debt limitation for the County is $157,952,900.

Additional information on the County's long-term debt can be found in Note 6 of this report.

Economic Analysis and Next Year's Budget. The County is committed to providing services with integrity, collaboration, professionalism, accountability and responsiveness, and these values are reflected in the Fiscal Year 2021-22 budget, which represents conservative growth compared to Fiscal Year 2020-21 budget. The County's conservative approach to budgeting has ensured its ability to sustain fiscal health in recent years and will be central to the County's ability to respond to the ongoing COVID-19 pandemic and other unplanned events, economic challenges and potential changes in State and Federal policy.

All of the factors listed below were considered in preparing the County's budget for the 2021-22 fiscal year.

- The ongoing COVID-19 pandemic and response.
- Salaries and Benefits. In FY 2019-20 the County entered into 3-year labor agreements with all eight bargaining units. Salary and benefit increases were made, based on a KOFF Compensation Study, bringing salaries closer to market. For FY 2021-22, salaries and benefits are budgeted at $154,410,531, representing an increase of $16,433,575 (12%) over the previous year. This projected increase is in part due to expected and/or planned filling vacant positions that resulted from the pandemic.
- Discretionary Revenue. Total FY 2021-22 projected discretionary (non-departmental) revenue is $85,500,000, a $9.6 million, or 13%, increase from prior year. The largest projected increases are property tax, $2.8 million, or 8%, and cannabis business tax, $2.5 million, or 63%, followed by room transient occupancy tax, $1.6 million, or 63%, and sales & use tax, 1.6 million, or 26%.
- Prevention, Recovery, Resiliency and Mitigation (PRRM). Total FY 2021-22 projected disaster recovery revenue is $6.3 million, a $5.0 million decrease from prior year. The largest projected decreases are in federal other revenue, $(3.0) million, and grant revenue, $(1.5) million. Projected FY 2021-22 expenditures are $8.1 million, a decrease of $2.8 million from prior year. The County's disaster recovery fund and department were created in 2017 to manage and support the County's response to emergency services, disaster recovery, and resiliency, including emergency preparedness, emergency access routes, fuels reduction and forest

management. Since January 2020, Mendocino County has been part of a coordinated Public Health response involving the Federal Centers for Disease Control and Prevention (CDC) and the California Department of Public Health (CDPH). Since the start of the pandemic, the County has committed over 75,000 and counting staff hours for our efforts to protect human life and minimizing the strain on the health care system. Those response hours are equivalent to 35 FTE compared to the County's annual 1,000 FTE count. Disaster Recovery will continue to implement grant funded disaster recovery projects, such as hazardous tree removal, county-wide economic recovery and resiliency plan, shaded fuel break and fuel reduction in Ukiah Valley, and erosion prevention in the 2017 Redwood Complex Fire footprint along with initiating Phase II of the Redwood Valley County Water District Retrofit Project and completing the updates to the local hazard mitigation plan and General Plan Safety Element.

- Measure B. Total FY 2021-22 projected Measure B tax revenue is $9.7 million, a $1.0 million increase from prior year. Projected FY 2021-22 expenditures are $4.2 million, a $1.2 million increase from prior year. The voters of Mendocino County passed Measure B on November 7, 2017, for the creation of the Mental Health Treatment Fund, to provide services, treatment, and facilities for persons with mental health conditions, into which 100% of the Measure B tax revenue shall be deposited. For a period of five (5) years, a maximum of 75% of the revenue deposited into the Fund may be used for facilities with no less than 25% dedicated to services and treatment; thereafter, 100% of all revenue deposited into the Fund shall be used for ongoing operations, services, and treatment.
- Cannabis Management. The largest new program undertaken by the County in many years is the new Cannabis Management Program. Projected FY 2021-22 revenue has been conservatively budgeted at $65,000, a decrease of ($460,000) from prior year. The FY 2021-22 total Cannabis Management net appropriations are budgeted at $851,990, an increase of $29,818 over prior year. Toward the end of fiscal year 2020-2021, the County made the decision to turn the Cannabis Program into a stand-alone department. As a new department that has yet to establish its own fees, staff have not yet been able to realize department specific revenue. Yet as a transitioning entity, program staff collected the fees and oversaw the Tax Appeals process for the 2021 Cannabis Business Tax year, as well as fees associated with the processing of the County's Section 15168 Environmental Checklist, commonly known as Appendix G. The Cannabis Management Program also manages the Cannabis Equity Program, which is grant program funded by the State.

Requests for Information. The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mendocino County Auditor-Controller, 501 Low Gap Road, Room 1080, Ukiah, California 95482. This report is also available online at www.mendocinocounty.org/government/auditor-controller.

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BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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COUNTY OF MENDOCINO
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and Investments	$ 137,281,179
Cash with Fiscal Agent	8,833,638
Other Cash	87,668
Accounts Receivable	22,864,532
Due from Other Governments	9,276,398
Taxes Receivable	9,197,871
Inventories	904,630
Capital Assets:	
Nondepreciable	33,149,794
Depreciable, Net	112,496,884
Total Assets	334,092,594
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pensions	54,038,138
LIABILITIES	
Accounts Payable	15,696,043
Salaries and Benefits Payable	6,707,214
Interest Payable	1,099,205
Long-Term Liabilities:	
Portion Due or Payable Within One Year:	
Certificates of Participation	1,280,000
Bonds Payable	5,740,000
Closure/Post-Closure Liability	498,155
Liability for Compensated Absences	5,729,504
Claims Liability	4,435,191
Portion Due or Payable After One Year:	
Certificates of Participation	13,430,000
Bonds Payable	33,915,000
Closure/Post-Closure Liability	8,708,000
Net Pension Liability	247,246,342
Total Liabilities	344,484,654
DEFERRED INFLOWS OF RESOURCES	
Deferred Pensions	41,617
NET POSITION	
Net Investment in Capital Assets	129,961,434
Permanetly Restricted for Endowments	566,971
Temporarily Restricted for:	
Legally Segregated Taxes, Grants, and Fees	95,481,994
Debt Service and Capital Projects	8,972,479
Unrestricted	(191,378,417)
Total Net Position	$ 43,604,461

See accompanying Notes to Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government Governmental Activities
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	$ 22,850,862	$ 4,024,452	$ 7,394,174	$ -	$ (11,432,236)
Public Protection	84,641,799	9,045,490	31,221,544	-	(44,374,765)
Public Ways and Facilities	22,349,873	481,684	11,654,768	3,404,935	(6,808,486)
Health and Sanitation	70,043,960	7,933,991	55,701,082	-	(6,408,887)
Public Assistance	80,229,727	619,931	71,406,932	-	(8,202,864)
Education	3,936,977	787,479	85,341	-	(3,064,157)
Recreation and Culture	616,849	9,644	-	-	(607,205)
Debt Service:					
Interest	2,922,873	-	-	-	(2,922,873)
Total Governmental Activities	$ 287,592,920	$ 22,902,671	$ 177,463,841	$ 3,404,935	(83,821,473)
GENERAL REVENUES					
Taxes:					
Property Taxes					55,714,699
Sales and Use Taxes					31,030,406
Transient Occupancy Tax					7,960,905
Other					6,726,963
Unrestricted Interest and Investment Earnings					549,173
Miscellaneous					2,374,770
Total General Revenues					104,356,916
CHANGE IN NET POSITION					20,535,443
Net Position - Beginning of Year, Restated					23,069,018
NET POSITION - END OF YEAR					$ 43,604,461

See accompanying Notes to Financial Statements.

BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS

COUNTY OF MENDOCINO
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
ASSETS				
Pooled Cash and Investments in Treasury	$ 67,240,241	$ 21,360	$ 1,193,264	$ 9,518,457
Restricted Assets:				
Cash with Fiscal Agent	-	1,959,252	6,874,386	-
Imprest Cash	5,414	-	-	-
Accounts Receivable	3,864,912	-	-	4,149,854
Taxes Receivable	7,186,541	-	-	-
Due from Other Governments	6,135,219	23,422	-	40,246
Inventory	263,472	-	-	-
Due from Other Funds	10,997,778	-	-	-
Total Assets	$ 95,693,577	$ 2,004,034	$ 8,067,650	$ 13,708,557
LIABILITIES				
Accounts Payable	$ 5,683,214	$ -	$ -	$ 4,271,211
Accrued Salaries and Benefits	5,874,305	-	-	158,644
Due to Other Funds	-	-	-	-
Total Liabilities	11,557,519	-	-	4,429,855
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	3,149,184	-	-	4,129,537
Total Deferred Inflows of Resources	3,149,184	-	-	4,129,537
FUND BALANCES				
Nonspendable	263,472	-	-	-
Restricted	8,714,288	2,004,034	8,067,650	5,149,165
Assigned	50,403,951	-	-	-
Unassigned	21,605,163	-	-	-
Total Fund Balances	80,986,874	2,004,034	8,067,650	5,149,165
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 95,693,577	$ 2,004,034	$ 8,067,650	$ 13,708,557

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Road	Mental Health Treatment	Disaster Recovery Fund	Other Governmental Funds	Total
ASSETS					
Pooled Cash and Investments in Treasury	$ 2,218,030	$ 24,841,883	$ -	$ 23,837,901	$ 128,871,136
Restricted Assets:					
Cash with Fiscal Agent	-	-	-	-	8,833,638
Imprest Cash	50	-	-	595	6,059
Accounts Receivable	4,675,514	-	8,663,071	1,498,809	22,852,160
Taxes Receivable	223,280	1,275,914	-	512,136	9,197,871
Due from Other Governments	1,743,675	833,327	1,315	499,194	9,276,398
Inventory	641,158	-	-	-	904,630
Due from Other Funds	-	-	-	-	10,997,778
Total Assets	$ 9,501,707	$ 26,951,124	$ 8,664,386	$ 26,348,635	$ 190,939,670
LIABILITIES					
Accounts Payable	$ 480,923	$ 39	$ 1,161,811	$ 3,604,139	$ 15,201,337
Accrued Salaries and Benefits	342,455	-	24,806	264,129	6,664,339
Due to Other Funds	-	-	10,200,707	-	10,200,707
Total Liabilities	823,378	39	11,387,324	3,868,268	32,066,383
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	4,668,900	-	8,663,071	1,009,667	21,620,359
Total Deferred Inflows of Resources	4,668,900	-	8,663,071	1,009,667	21,620,359
FUND BALANCES					
Nonspendable	641,158	-	-	566,971	1,471,601
Restricted	3,368,271	26,951,085	4,981,496	19,782,258	79,018,247
Assigned	-	-	-	1,121,471	51,525,422
Unassigned	-	-	(16,367,505)	-	5,237,658
Total Fund Balances	4,009,429	26,951,085	(11,386,009)	21,470,700	137,252,928
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,501,707	$ 26,951,124	$ 8,664,386	$ 26,348,635	$ 190,939,670

See accompanying Notes to Basic Financial Statements.

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COUNTY OF MENDOCINO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Fund Balance - Total Governmental Funds	$ 137,252,928
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	21,620,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	143,137,748
Deferred outflows of resources reported in the Statement of Net Position.	54,038,138
Internal service funds are used by the County to charge the cost of insurance, software acquisition and vehicle replacement services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:	5,203,295
Deferred inflows of resources reported in the statement of net position.	(41,617)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net position.	
Bonds Payable	(39,655,000)
Certificates of Participation	(14,710,000)
Accrued Interest on Long-Term Debt	(1,099,205)
Compensated Absences	(5,689,688)
Pension Liability	(247,246,342)
Landfill Closure/Post Closure Care Costs	(9,206,155)
Net Position of Governmental Activities	$ 43,604,461

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, 2021

	General	Debt Service	Pension Obligation Bonds	Mental Health Services
REVENUES				
Taxes	$ 87,403,634	$ -	$ -	$ -
Licenses, Permits, and Franchises	4,961,346	-	-	-
Intergovernmental	100,836,364	35,703	-	25,752,998
Revenue from Use of Money and Property	761,016	(4,710)	(32,537)	4,696
Fines, Forfeitures, and Penalties	916,522	7,800	-	-
Charges for Services	12,346,360	-	-	1,918,576
Other Revenues	1,742,247	-	467,342	112,286
Total Revenues	208,967,489	38,793	434,805	27,788,556
EXPENDITURES				
Current:				
General Government	18,765,027	3,425	3,649	-
Public Protection	67,434,210	-	-	-
Public Ways and Facilities	780,834	-	-	-
Health and Sanitation	14,621,885	-	-	25,005,874
Public Assistance	74,874,928	-	-	-
Education	182,341	-	-	-
Recreation and Culture	540,699	-	-	-
Debt Service:				
Principal	-	1,230,000	5,440,000	-
Interest	36,753	635,498	2,408,750	-
Capital Outlay	3,223,702	-	-	-
Total Expenditures	180,460,379	1,868,923	7,852,399	25,005,874
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	28,507,110	(1,830,130)	(7,417,594)	2,782,682
OTHER FINANCING SOURCES (USES)				
Transfers in	6,974,531	1,835,100	7,841,170	300,000
Transfers out	(27,533,843)	-	-	(233,779)
Total Other Financing Sources (Uses)	(20,559,312)	1,835,100	7,841,170	66,221
NET CHANGES IN FUND BALANCES	7,947,798	4,970	423,576	2,848,903
Fund Balances - Beginning of Year, Restated	73,039,076	1,999,064	7,644,074	2,300,262
FUND BALANCES - END OF YEAR	$ 80,986,874	$ 2,004,034	$ 8,067,650	$ 5,149,165

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Road	Mental Health Treatment	Disaster Recovery Fund	Other Governmental Funds	Total
REVENUES					
Taxes	$ 52,319	$ 10,848,181	$ -	$ 3,128,839	$ 101,432,973
Licenses, Permits, and Franchises	157,801	-	-	358,205	5,477,352
Intergovernmental	16,036,616	-	13,901,273	17,077,105	173,640,059
Revenue from Use of Money and Property	(78,136)	72,107	-	(130,348)	592,088
Fines, Forfeitures, and Penalties	32,615	-	-	21,188	978,125
Charges for Services	291,268	-	-	1,872,122	16,428,326
Other Revenues	13,318	-	5,600	33,977	2,374,770
Total Revenues	16,505,801	10,920,288	13,906,873	22,361,088	300,923,693
EXPENDITURES					
Current:					
General Government	-	-	-	261,548	19,033,649
Public Protection	-	-	5,707,961	2,297,893	75,440,064
Public Ways and Facilities	21,024,918	-	-	51,665	21,857,417
Health and Sanitation	-	159,834	-	28,168,329	67,955,922
Public Assistance	-	-	-	109,646	74,984,574
Education	-	-	-	3,366,356	3,548,697
Recreation and Culture	-	-	-	376	541,075
Debt Service:					
Principal	-	-	-	-	6,670,000
Interest	-	-	-	-	3,081,001
Capital Outlay	-	-	-	16,873,585	20,097,287
Total Expenditures	21,024,918	159,834	5,707,961	51,129,398	293,209,686
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,519,117)	10,760,454	8,198,912	(28,768,310)	7,714,007
OTHER FINANCING SOURCES (USES)					
Transfers in	3,981,757	-	2,426,745	31,072,951	54,432,254
Transfers out	(437,604)	(2,328,153)	(20,475,700)	(5,422,696)	(56,431,775)
Total Other Financing Sources (Uses)	3,544,153	(2,328,153)	(18,048,955)	25,650,255	(1,999,521)
NET CHANGES IN FUND BALANCES	(974,964)	8,432,301	(9,850,043)	(3,118,055)	5,714,486
Fund Balances - Beginning of Year, Restated	4,984,393	18,518,784	(1,535,966)	24,588,755	131,538,442
FUND BALANCES - END OF YEAR	$ 4,009,429	$ 26,951,085	$ (11,386,009)	$ 21,470,700	$ 137,252,928

See accompanying Notes to Basic Financial Statements.

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COUNTY OF MENDOCINO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net Change to Fund Balance - Total Governmental Funds		$ 5,714,486
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	$ 25,566,378	
Less: Current Year Depreciation	(7,043,514)	
		18,522,864
Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting.		7,247,585
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal and Refunded Debt Repayments:		
Bonds Payable	5,440,000	
Certificates of Participation	1,230,000	
		6,670,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Long-Term Debt	158,128	
Change in Compensated Absences	(908,753)	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(14,977,727)	
Change in Liability for Closure/Post Closure Care	432,200	
		(15,296,152)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.		(2,323,340)
Change in Net Position of Governmental Activities		$ 20,535,443

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities Internal Service Funds
ASSETS	
CURRENT ASSETS	
Pooled Cash and Investments in Treasury	$ 8,403,984
Other Cash	87,668
Accounts Receivable	12,372
Total Current Assets	8,504,024
NONCURRENT ASSETS	
Capital Assets:	
Depreciable, Net	2,508,930
Total Noncurrent Assets	2,508,930
Total Assets	$ 11,012,954
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts Payable	$ 494,706
Accrued Salaries and Benefits	42,875
Due to Other Funds	797,071
Compensated Absences	39,816
Liability for Unpaid Claims	4,435,191
Total Liabilities	5,809,659
NET POSITION	
Investment in Capital Assets	2,508,930
Unrestricted	2,694,365
Total Net Position	5,203,295
Total Liabilities and Net Position	$ 11,012,954

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for Services	$ 22,300,098
Other Revenues	95,261
Total Operating Revenues	22,395,359
OPERATING EXPENSES	
Salaries and Employee Benefits	819,545
Services and Supplies	2,407,195
Insurance	7,120,946
Depreciation	328,054
Claims and Judgments	16,006,533
Total Operating Expenses	26,682,273
OPERATING INCOME (LOSS)	(4,286,914)
NONOPERATING REVENUES (EXPENSES)	
Other Revenue	6,968
Interest Revenue (Expense)	(42,915)
Total Nonoperating Revenues (Expenses)	(35,947)
INCOME (LOSS) BEFORE TRANSFERS	(4,322,861)
TRANSFERS IN	2,617,931
TRANSFERS OUT	(618,410)
CHANGE IN NET POSITION	(2,323,340)
Net Position - Beginning of Year	7,526,635
NET POSITION - END OF YEAR	$ 5,203,295

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Interfund Services Provided	$ 22,751,620
Cash Paid to Employees for Services	(817,649)
Cash Paid to Suppliers for Goods and Services	(26,148,575)
Net Cash Provided (Used) by Operating Activities	(4,214,604)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Noncapital Other Contributions	6,968
Transfers In	3,415,002
Transfers Out	(618,410)
Net Cash Provided (Used) by Noncapital Financing Activities	2,803,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(2,323,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	(42,915)
Net Cash Provided (Used) by Investing Activities	(42,915)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	12,269,289
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,491,652
Pooled Cash and Investments in Treasury	$ 8,403,984
Other Cash	87,668
TOTAL CASH AND CASH EQUIVALENTS	$ 8,491,652

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	328,054
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	356,261
Increase (Decrease) in:	
Accounts Payable	(400,084)
Accrued Salaries	3,500
Compensated Absences	(1,604)
Claims Liability	(213,817)
Net Cash Provided (Used) by Operating Activities	$ (4,214,604)

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2021

	Investment Trust	Custodial Funds	Pension Trust Fund
ASSETS			
Cash and Investments in Treasury	$ 213,950,966	$ 7,962,693	$ 110,149
Investments:			
Fixed Income	-	-	147,615,144
Domestic Equities			272,657,303
International Equities			193,415,783
Real Estate Partnerships			64,005,697
Infrastructure			16,418,290
Real Estate - 625 Kings Court, Ukiah, CA			1,750,000
Accounts Receivable	-	-	1,749,611
Taxes Receivable	-	11,525,008	-
Other Assets	-	-	238,149
Total Assets	213,950,966	19,487,701	697,960,126
LIABILITIES			
Accounts Payable and Accrued Expenses	-	-	1,518,824
Due to Other Governments	-	1,222,112	-
Total Liabilities	-	1,222,112	1,518,824
NET POSITION			
Restricted for:			
Pensions	-	-	696,441,302
Pool Participants	213,950,966	-	-
Individuals, Organizations, and Other Governments	-	18,265,589	-
Total Net Position	$ 213,950,966	$ 18,265,589	$ 696,441,302

See accompanying Notes to Basic Financial Statements.

COUNTY OF MENDOCINO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021

	Investment Trust	Custodial Funds	Pension Trust Fund
ADDITIONS			
Contributions:			
Employer Contributions	$ -	$ -	$ 26,333,815
Member Contributions	-	-	7,053,907
Contributions on Pooled Investments	336,825,203	-	-
Taxes Collected for Other Governments	-	248,651,579	-
Interest and Investment Income - Net	(12,250)	77,058	166,513,422
Total Additions	336,812,953	248,728,637	199,901,144
DEDUCTIONS			
Benefit Payments	-	-	41,076,641
Administrative Expenses	-	-	1,372,414
Taxes Distributed to Other Governments	-	245,323,896	-
Distributions from Investment Pool	328,977,774	-	-
Total Deductions	328,977,774	245,323,896	42,449,055
CHANGE IN NET POSITION	7,835,179	3,404,741	157,452,089
Net Position - Beginning of Year, Restated	206,115,787	14,860,848	538,989,213
NET POSITION - END OF YEAR	$ 213,950,966	$ 18,265,589	$ 696,441,302

See accompanying Notes to Basic Financial Statements.

MENDOCINO
1850
COUNTY

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.

MENDOCINO
1850
COUNTY

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The County of Mendocino (the County), the primary government, is a political subdivision of the state of California. It is governed by an elected board of five County supervisors.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year-end.

Blended Component Units

The Alexander Estates Lighting District, Covelo Lighting District, Fairview Acres Lighting District, Hopland Lighting District, Laytonville Lighting District, Noyo Lighting District, Oak Knoll Lighting District, Riverwood Terrace Lighting District, Ukiah Village Lighting District, West Talmage Lighting District, Lakewood Lighting District, Meadowbrook Manor Sanitation District, Mendocino County Air Quality Management District, and Mendocino County Public Facilities Corporation are districts and a corporation governed by the County board of supervisors. The component unit's governing body is substantially the same as the primary government and a financial benefit or burden relationship exists between the primary government and each of the component units, hence, these units are presented by blending them with the primary government.

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

Fiduciary Component Units

The County pension plan is administered by the Mendocino County Employee's Retirement Association (MCERA), which was established on January 1, 1948, and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for employees of the County. MCERA is reported in the Pension Trust Fund on the Statement of Fiduciary Net Position – Fiduciary Funds of the basic financial statements and has been included because there is a financial benefit or burden relationship and the County appoints a voting majority of the Board. See note 9 for further disclosures related to the pension plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities that report information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities; interfund services provided and used are not eliminated in the process of consolidation.

These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities, generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. At June 30, 2021, the County had no business-type activities.

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions, and therefore, are clearly identifiable to a particular function and allocated indirect expenses. Direct expenses also include each function's allocated share of indirect expenses. Program revenues include 1) fees, fines and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position is available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – *governmental, proprietary, and fiduciary* – even though the latter are excluded from the government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a single column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

- The *General* Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreational services.

- The *Debt Service Fund* is used to accumulate funds for the payment of debt service on the Certificates of Participation.

- The *Pension Obligation Bonds Fund* is used to accumulate funds for the payment of debt service on the Pension Obligation Bonds. Deposits are made on each pay period from amounts charged to the individual departments, based on retirement participation.

- The *Mental Health Services Fund* is a special revenue fund whose revenues are legally restricted for specified mental health purposes. The financial activities of the Mental Health Department were formerly an integral part of the County General Fund prior to fiscal year 2002-2003. Revenues consist primarily of intergovernmental revenues and charges for services.

- The *Road Fund* is a special revenue fund that provides for planning, design, construction, maintenance, and administration of County maintained roads. Revenues consist primarily of highway user taxes and other intergovernmental revenues.

- The *Mental Health Treatment Fund* is a sales tax special revenue fund entirely dedicated to improve services, treatment and facilities for persons with mental health conditions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The *Disaster Recovery Fund* consist of FEMA public assistance and other grant revenues that support the physical and financial recovery of the County and its communities in the wake of a major fire, severe storm or earthquake event. The County has identified eight recovery support functions that correspond with federal and state disaster recovery frameworks. They are community emergency preparedness, community planning and capacity building, infrastructure systems, economic resiliency & sustainability, health and human services, housing, natural systems, and cultural resources.

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the County's vehicle replacement and software acquisition services provided to other departments or to other governments and self-insurance programs – unemployment, general liability, workers' compensation, and health insurance benefits, on a cost-reimbursement basis.

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Custodial Funds* account for assets held by the County as an agent for various local governments. The agency funds maintained by the County include two separate components.

    - County Departmental – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

    - Unapportioned Taxes – Accounts for property tax receipts awaiting apportionment to other local agencies.

- The *Pension Trust Fund* accounts for the pooled cash held in the County Treasury for the Mendocino County Employees' Retirement Association.

C. Measurement Focus and Basis of Accounting

The government-wide, and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be measurable and available. All other revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded as expenditures only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Fiduciary funds include trust funds and custodial funds. All fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

D. Cash and Investments

Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired.

The County follows the practice of pooling cash and investments which represent deposits, time certificates of deposit, medium term notes, and U.S. Government securities. The securities are stated at amortized cost, which approximates market.

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's Investment Pool, to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

Receivables consist mostly of amounts due from other agencies. Management believes its receivables are fully collectible and accordingly, no allowance for doubtful accounts is required.

G. Inventories

Inventories are valued at average cost. Inventories in the Road Fund consist of road supplies, fuel and various consumable items. Inventories in the General Fund consist of office supplies. Inventory recorded by governmental funds are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by nonspendable fund balance to indicate that portion of fund balance is not in spendable form.

H. Restricted Assets

The County has $8,833,638 restricted cash deposited with fiscal agents to meet Certificates of Participation, Pension Obligation Bond and other long-term debt reserve fund requirements.

I. Net Position/Fund Balance

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets (net of related debt), restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position/Fund Balance (Continued)

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds consist of the following categories:

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors with a 4/5 vote. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

- *Assigned Fund Balance* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

- *Unassigned Fund Balance* – is the residual classification and includes all amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance, other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes. Positive unassigned amounts are technically available for any purposes.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

In Proprietary fund financial statements net position are accounted for the same as in the government-wide statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Tax Revenue

Property taxes attach as an enforceable lien at January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor's Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the state of California. County property tax revenues are recognized when levied in accordance with the alternative method of property tax allocation (Teeter Plan).

Alternative Method of Distribution of Tax Levies

The County apportions property tax revenue according to the alternative tax treatment (Teeter Plan), whereby all of the current tax levy is distributed to all participating entities.

The County then receives delinquent penalties and fees on the entire participating tax roll.

The County maintains 25% of the total delinquent secured taxes for participating entities in the County, as calculated at the end of the fiscal year, in the tax loss reserve fund. The balance in the fund was approximately $1,262,715 at year-end.

K. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure (Except for the Maintained Pavement Subsystem)	20 to 50 Years
Structures and Improvements	10 to 40 Years
Equipment	3 to 10 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item, pension, which qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which qualify for reporting in this category: pensions and unavailable revenue. The item, *unavailable revenue*, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues generally from intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Mendocino County Employees' Retirement Association (MCERA).

The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions (Continued)

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plan with MCERA and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by MCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Current Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2019. The County of Mendocino implemented this statement for the year ended June 30, 2021. As a result fund balance/net position of governmental and fiduciary funds was restated at the beginning of the year, see Note 8.

NOTE 2 CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County treasurer for the purpose of securing and protecting the public funds of the County and other participants. Funds not immediately required for daily operations are invested in an attempt to earn a yield commensurate to current conditions. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The state of California Statutes require certain special districts and other governmental entities to maintain their cash surplus with the County treasurer.

Cash and investments held by fiscal agents outside of the County's investment pool are restricted as to its use. It consists of funds designated by debt agreements as reserve funds.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority: safety, liquidity, yield, and public trust.

The Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the investment pool participants every quarter. The report covers the types of investments in the pool, maturity dates, par value, actual costs, and fair value.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

At June 30, 2021, total County cash and investments were as follows:

Cash:	
Cash on Hand	$ 3,211,262
Imprest Cash	6,059
Other Cash	87,668
Deposits Less Outstanding Warrants	24,829,288
Total Cash	28,134,277
Investments:	
In Treasurer's Pool	331,258,378
With Fiscal Agents	8,833,638
With Fiscal Agents, Pension Trust Fund (Held by MCERA)	695,862,217
Total Investments	1,035,954,233
Total Cash and Investments	$ 1,064,088,510

Total cash and investments at June 30, 2021, were presented on the County's financial statements as follows:

Primary Government	$ 146,202,485
Investment Trust Fund	213,950,966
Pension Trust Fund	695,972,366
Custodial Funds	7,962,693
Total Cash and Investments	$ 1,064,088,510

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits.

At June 30, 2021, the carrying value of the County's deposits was $24,829,288 and the bank balance was $29,378,734. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, $250,000 was covered by Federal Depository Insurance Corporation (FDIC) and the remainder was covered by the multiple financial institution collateral pool that insures public deposits.

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%

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

At June 30, 2021, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Investment Pool:					
Federal Agency Obligations	0.21% - 2.86%	7/14/2021 - 2/26/2024	120,827,572	121,968,885	1.73
Treasury Obligations	0.15% - 2.53%	8/31/2021 - 4/30/2025	76,707,672	77,368,634	2.19
Medium Term Corporate Notes	0.39% - 3.05%	1/24/2022 - 2/16/2025	23,733,919	24,066,675	2.06
Commercial Paper	0.22% - 0.25%	8/3/2021 - 1/21/2022	5,990,506	5,996,590	0.25
Supranational	0.21% - 0.25%	7/20/2021 - 11/24/2023	13,569,471	13,812,994	1.32
Time Deposit	0.50% - 0.55%	3/3/2022 - 3/20/2022	500,000	500,000	0.70
Certificate of Deposit	0.24% - 0.28%	11/24/2021 - 4/28/2022	3,750,000	3,750,642	0.60
Money Market Mutual Funds	Variable	On Demand	793,958	793,958	
California Local Agency Investment Fund (LAIF)	Variable	On Demand	75,000,000	75,000,000	
California Asset Management Program	Variable	On Demand	8,000,000	8,000,000	
			328,873,098	331,258,378	
Investments Outside Investment Pool:					
Cash Held with Fiscal Agent					
Pension Trust Fund (Held by MCERA)	Variable	N/A	695,862,217	695,862,217	
Money Market Mutual Funds	Variable	On Demand	8,833,638	8,833,638	
Total Investments			$ 1,033,568,953	$ 1,035,954,233	

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the rating of A1 by *Standards & Poor's* or P-1 by *Moody's Investors Service*. State law also limits investments in corporate bonds to the rating of A or better by *Standard & Poor's* and *Moody's Investors Service* for a maturity of up to five years.

Concentration of Credit Risk

At June 30, 2021, the County held the following percentages and amounts by issuer of its net investment in Federal Agency Obligation: 13.83% ($45,823,504) Federal Farm Credit Bank, 11.05% ($36,607,990), Federal Home Loan Mortgage Corp, 6.13% ($20,314,434) Federal National Mortgage Association, and 5.81% ($19,230,108) Federal Home Loan Banks.

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The principles recognize a three-tiered fair value hierarchy, as follows:

Level 1 - Investments reflect prices quoted in active markets;

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Investments reflect prices based upon unobservable sources.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The pool has the following recurring fair value measurements as of June 30, 2021:

		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Federal Agency Obligations	$ 121,968,885	$ -	$ 121,968,885	$ -
Treasury Obligations	77,368,634	-	77,368,634	-
Medium Term Corporate Notes	24,066,675	-	24,066,675	-
Commercial Paper	5,996,590	-	5,996,590	-
Supranational	13,812,994	-	13,812,994	-
Certificate of Deposit	3,750,642	-	3,750,642	-
Time Deposit	500,000	500,000	-	-
Money Market Mutual Funds	793,958	793,958	-	-
Total Investments Measured at Fair Value	248,258,378	$ 1,293,958	$ 246,964,420	$ -
Investments Measured at Amortized Cost:				
California Local Agency Investment Fund (LAIF)	75,000,000			
California Asset Management Program	8,000,000			
Total Pooled and Directed Investments	$ 331,258,378			

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's carrying value at June 30, 2021:

	Moody's	S & P	% of Portfolio
Investments in Investment Pool:			
Federal agency obligations	Unrated	Unrated	35.61%
Federal agency obligations	Unrated	Unrated	1.21%
Treasury obligations	Unrated	Unrated	23.36%
Medium term notes	A1	A+	2.04%
Medium term notes	A2	A	2.38%
Medium term notes	A2	A-	1.15%
Medium term notes	Aa1	AA+	0.62%
Medium term notes	Aa2	AA	0.47%
Medium term notes	Aa3	A	0.60%
Money market mutual funds	Aaa	AAA	0.24%
Supranational	Aaa	AAA	4.17%
Time Deposit	Unrated	Unrated	0.15%
Commercial Paper	P-1	A-1	1.21%
Commercial Paper	P-1	A-1+	0.60%
Certificate of Deposit	P-1	A-1	1.13%
California Local Agency Investment Fund State Pool	Unrated	Unrated	22.64%
Public Financial Management CAMP	Unrated	AAA	2.42%
			100.00%

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.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (Continued)

Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2021, the County's investment position in the state of California Local Agency Investment Fund (LAIF) was $75 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was $193.46 billion. Of that amount, 2.31% was invested in structured notes and asset-backed securities with the remaining 97.69% invested in other nonderivative financial products.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the investment pool as of June 30, 2021:

Statement of Net Position

Net Position Held for Pool Participants	$ 359,298,928
Equity of Internal Pool Participants	$ 145,347,962
Equity of External Pool Participants	213,950,966
Total Net Position	$ 359,298,928

Statement of Changes in Net Position

Net Position for Pool Participants at July 1, 2020	$ 317,849,664
Net Change in Investments by Pool Participants	41,449,264
Net Position at June 30, 2021	$ 359,298,928

NOTE 3 ENDOWMENTS

For the year ended June 30, 2021, the net appreciation on investments of donor-restricted endowments was $4,650. Under local ordinances and state statutes, the County is authorized based on a total-return policy to spend the appreciation on the supplies and maintenance of the community libraries and museums.

NOTE 4 INTERFUND TRANSACTIONS

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

Transfer From	Transfer To	Amount
General Fund	Debt Service Fund	$ 1,785,361
	Pension Obligation Bonds Fund	6,924,488
	Road Fund	3,766,860
	Internal Service Funds	2,599,523
	Disaster Recovery	2,303,285
	Other Governmental Funds	10,154,326
		27,533,843
Mental Health Services Fund	General Fund	4,667
	Pension Obligation Bonds Fund	179,373
	Debt Service Fund	49,739
		233,779
Roads Fund	General Fund	50,304
	Pension Obligation Bonds Fund	387,300
		437,604
Mental Health Treatment Fund	Pension Obligation Bonds Fund	4,844
	Other Governmental Funds	2,323,309
		2,328,153
Disaster Recovery Fund	General Fund	4,245,906
	Pension Obligation Bonds Fund	22,361
	Internal Service Funds	18,408
	Other Governmental Funds	16,189,025
		20,475,700
Nonmajor Governmental Funds	General Fund	2,320,149
	Mental Health Services Fund	300,000
	Pension Obligation Bonds Fund	272,796
	Disaster Recovery	123,460
	Other Governmental Funds	2,406,291
		5,422,696
Internal Service Funds	General Fund	353,506
	Road Fund	214,897
	Pension Obligation Bonds Fund	50,007
		618,410
Total		$ 57,050,185

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020 (Restated)	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2021
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	$ 2,928,621	$ -	$ -	$ -	$ 2,928,621
Construction in Progress	18,526,787	23,877,465	-	(12,183,079)	30,221,173
Total Capital Assets, Not Being Depreciated	21,455,408	23,877,465	-	(12,183,079)	33,149,794
Capital Assets, Being Depreciated:					
Infrastructure	105,953,983	-	-	6,127,072	112,081,055
Structures and Improvements	86,853,778	-	-	6,056,007	92,909,785
Equipment	38,689,747	4,047,109	(507,912)	-	42,228,944
Improvements Other than Buildings	6,112,950	-	-	-	6,112,950
Total Capital Assets, Being Depreciated	237,610,458	4,047,109	(507,912)	12,183,079	253,332,734
Less Accumulated Depreciation for:					
Infrastructure	(49,588,947)	(2,634,949)	-	-	(52,223,896)
Structures and Improvements	(48,832,680)	(2,215,247)	-	-	(51,047,927)
Equipment	(30,635,465)	(2,283,902)	473,394	-	(32,445,973)
Improvements Other than Buildings	(4,880,584)	(237,470)	-	-	(5,118,054)
Total Accumulated Depreciation	(133,937,676)	(7,371,568)	473,394	-	(140,835,850)
Total Capital Assets, Being Depreciated, Net	103,672,782	(3,324,459)	(34,518)	12,183,079	112,496,884
Governmental Activities Capital Assets, Net	$ 125,128,190	$ 20,553,006	$ (34,518)	$ -	$ 145,646,678

Depreciation expense was charged to governmental functions as follows:

General Government	$ 1,536,549
Public Protection	1,107,464
Public Ways and Facilities	3,336,509
Health and Sanitation	444,229
Public Assistance	490,899
Education	92,194
Recreation and Culture	35,670
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	328,054
Total Depreciation Expense - Governmental Functions	$ 7,371,568

NOTE 6 LONG-TERM LIABILITIES

Individual issues of loans, bonds and certificates of participation outstanding at June 30, 2021, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2021
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	$39,655,000
Refunding Certificates of Participation:					
2012 Series (Issued to Refund 2002 and 2000 Series COPs that funded the construction of capital assets)	7/15/2012 - 7/15/2030	1.00% - 4.30%	$975,000 - $1,830,000	$ 25,810,000	$ 14,710,000

A. Summary of Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Refunding Certificates of Participation	$ 15,940,000	$ -	$ (1,230,000)	$ 14,710,000	$ 1,280,000
Bonds Payable	45,095,000	-	(5,440,000)	39,655,000	5,740,000
Compensated Absences	4,822,355	2,439,100	(1,531,951)	5,729,504	5,729,504
Liability for Self-Insurance	4,649,008	16,006,533	(16,220,350)	4,435,191	4,435,191
Landfill Postclosure Costs	9,638,355	-	(432,200)	9,206,155	498,155
Total Governmental Activities	$ 80,144,718	$ 18,445,633	$ (24,854,501)	$ 73,735,850	$ 17,682,850

As of June 30, 2021, annual debt service requirements of governmental activities to maturity are as follows:

	Governmental Activities			
	Certificate of Participation		Bonds Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest
2022	$ 1,280,000	$ 589,372	$ 5,740,000	$ 2,100,182
2023	1,325,000	544,572	6,055,000	1,774,640
2024	2,155,000	494,886	6,390,000	1,423,170
2025	1,500,000	408,684	6,760,000	1,043,793
2026	1,560,000	348,686	7,150,000	642,490
2027-2030	6,890,000	738,858	7,560,000	218,106
Total	$ 14,710,000	$ 3,125,058	$ 39,655,000	$ 7,202,381

Claims and judgments will be paid from the County's risk management internal service funds. A majority of the claims are paid through internal service fund charges to the general fund and special revenue funds. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, special revenue funds, and other internal service funds.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Leases

Operating Leases

The County has signed several operating leases, primarily for office buildings. Terms of the leases are month-to-month or contain early termination clauses. Because of this, the County does not have a definite noncancelable commitment from the various leases. Rental expenditures were approximately $1,292,000 during the year ended June 30, 2021.

C. Compensated Absences

Vacation – employees accrue vacation at varying rates depending on the length of an employee's service. Upon termination unused vacation, up to accrual limits, is paid off in cash. Sick leave – all employees accrue sick leave at the rate of 15 days per year. Sick leave may be accrued without limit. Upon termination, unused sick leave will be applied toward length of service for retirement credit. Holidays must be taken within the calendar year and are not accruable. The County records the gross vacation liability. At fiscal year end, the total liability for compensated absences was $5,729,504. Based on historical experience County employees utilize substantially all accrued compensated absences within the following fiscal year. As such, the County considers the entire balance of compensated absences liability to be current.

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal law and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $9,206,155 reported as landfill closure/postclosure liability at June 30, 2021, represents the cumulative amount reported to date based on the use of various percents of the estimated capacity of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The following information pertains to the various landfills in the County:

Location	Ownership of Landfill	Percent Filled	Year of Closure	Estimated Liability at June 30, 2021
Caspar Landfill	Mendocino County/ City of Fort Bragg	100%	1994	$ 1,269,571
South Coast Landfill	Mendocino County	100%	Pending	5,752,491
Laytonville Landfill	Mendocino County	100%	1997	2,184,093
Total				$ 9,206,155

NOTE 7 MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at June 30, 2021, investments of $4,434,249 are held for these purposes. The County intends to obtain either a grant or issue debt to fund the closure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Casper Landfill and Laytonville Landfill are closed. The County is in the process of closing South Coast Landfill and is no longer accepting waste from the public.

NOTE 8 NET POSITION/FUND BALANCES

Net Position

Net investment in capital assets was comprised of the following:

	Governmental Activities
Capital Assets Net of Accumulated Depreciation	$ 145,646,678
Outstanding Principal of Capital-Related Debt	(14,710,000)
Capital-Related AP	(975,244)
Net Position, Net Investment in Capital Assets	$ 129,961,434

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Fund Balances

Details of the fund balance classifications of governmental funds as of June 30, 2021 are as follows:

	General	Debt Service	Pension Obligation Bonds	Mental Health Services	Road	Mental Health Treatment	Disaster Recover	Other Governmental Funds	Total
Nonspendable									
Inventory	$ 263,472	$ -	$ -	$ -	$ 641,158	$ -	$ -	$ -	$ 904,630
Endowments	-	-	-	-	-	-	-	566,971	566,971
Total Nonspendable	263,472	-	-	-	641,158	-	-	566,971	1,471,601
Restricted for:									
Road Projects	-	-	-	-	3,368,271	-	-	-	3,368,271
Public Protection	4,754,807	-	-	-	-	-	-	-	4,754,807
Public Assistance	3,563,156	-	-	-	-	-	-	-	3,563,156
Health Services	396,325	-	-	-	-	-	-	10,501,588	10,897,913
Mental Health	-	-	-	5,149,165	-	26,951,085	4,981,496	-	37,081,746
Special Districts	-	-	-	-	-	-	-	1,621,113	1,621,113
Various Grant Programs	-	-	-	-	-	-	-	7,659,557	7,659,557
Debt Service	-	2,004,034	8,067,650	-	-	-	-	-	10,071,684
Total Restricted	8,714,288	2,004,034	8,067,650	5,149,165	3,368,271	26,951,085	4,981,496	19,782,258	79,018,247
Assigned:									
Retirement	4,500,000	-	-	-	-	-	-	-	4,500,000
General reserve	12,287,010	-	-	-	-	-	-	-	12,287,010
Contracted services	33,616,941	-	-	-	-	-	-	1,121,471	34,738,412
Total Assigned	50,403,951	-	-	-	-	-	-	1,121,471	51,525,422
Unassigned	21,605,163	-	-	-	-	-	(16,367,505)	-	5,237,658
Total Fund Balance	$ 80,986,874	$ 2,004,034	$ 8,067,650	$ 5,149,165	$ 4,009,429	$ 26,951,085	$ (11,386,009)	$ 21,470,700	$ 137,252,928

NOTE 8 NET POSITION/FUND BALANCES (CONTINUED)

Prior Period Adjustment

Adjustments resulting from errors are treated as prior period adjustments. Accordingly, the County reports these changes as restatements of beginning fund balance / net position. Restatements as of the beginning of the fiscal year were made to correct the reporting of prior year expenses.

The impact of the restatements on net position as previously reported is presented below:

	Government-wide Statements	Governmental Fund Statements		
	Governmental Activities	General Fund	Road	Special Districts Other
Net position as of June 30, 2020, as previously reported	$ 19,647,104	$ 70,349,373	$ 4,713,618	$ 376,952
Cumulative Effect of Change in Accounting Principle				
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	3,421,914	2,689,703	270,775	461,436
Total prior period adjustments	3,421,914	2,689,703	270,775	461,436
Net position as of July 1, 2020	$ 23,069,018	$ 73,039,076	$ 4,984,393	$ 838,388

	Fiduciary Fund Statements	
	Investment Trust Funds	Custodial Funds
Net position as of June 30, 2020, as previously reported	$ 196,546,975	$ -
Cumulative Effect of Change in Accounting Principle		
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	9,568,812	14,860,848
Total prior period adjustments	9,568,812	14,860,848
Net position as of July 1, 2020	$ 206,115,787	$ 14,860,848

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.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans

Plan Descriptions

The Mendocino County Employees' Retirement Association is a cost-sharing multiple-employer defined benefit pension plan serving the employees of the County of Mendocino and two special districts. The Association was established under the County Employees Retirement Act of 1937, as amended. The plan is totally controlled and governed by a nine-member retirement board and is available to essentially all full-time employees of the County and certain special districts. Members of the board are appointed as follows: four members are appointed by the Board of Supervisors, two members are elected by general county employees, one member is elected by safety county employees, two members are elected by county retirees, one alternate, and one member is the County Treasurer who is an ex-officio board member and administrator of the retirement system.

Benefits Provided

MCERA provides service retirement, disability, death, and survivor benefits to eligible employees. All permanent employees of the County or contracting districts who work at least 32 hours per week become members of MCERA effective on the first day of the pay period following employment. There are separate retirement plans for General, Safety, and Probation member employees. Any new employees who become members on or after January 1, 2013 are subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. General members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit, or age 70, regardless of service.

Safety and Probation members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service. Safety and Probation members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit, or age 70, regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Benefits Provided (Continued)

General member benefits are calculated pursuant to the provisions of Section 31676.121. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times the age factor from Section 31676.12. General member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of Section 31664.2. The monthly allowance is equal to 3% of final compensation times years of accrued retirement service credit times the age factor from Section 31664.2. Safety member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Probation member benefits are calculated pursuant to the provisions of Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times the age factor from Section 31664.

Probation member benefits for those who are first hired on or after January 1, 2013 are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation.

Final average compensation consists of the highest 12 consecutive months of pay for a General Tier 1, Safety Tier 1, or Probation Tier 1 member, and the highest 36 consecutive months for all other members.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

MCERA provides an annual cost-of-living benefit to all non-PEPRA retirees. The cost-of-living adjustment, based upon the Consumer Price Index prepared by the Bureau of Labor Statistics that applies to the Mendocino County Area, is capped at 3.0%.

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information About the Pension Plans (Continued)

Contributions

The County and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from MCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2020 for 2020-2021 (based on the June 30, 2020 valuation) was 34.56% of compensation. The actual employer rate depends on General, Safety, or Probation membership, and tier.

All members are required to make contributions to MCERA regardless of the retirement plan or tier in which they are included; however, non-PEPRA members with 30 or more years of service are exempt from paying member contributions. The average member contribution rate as of June 30, 2020 for 2020-2021 (based on the June 30, 2020 valuation) was 9.44% of compensation. The actual member rate depends on the member's age at the time of hire, General, Safety, or Probation membership, and tier.

The member and employer contribution rates are adjusted annually to maintain the appropriate funding status of the Plan. The employer contribution rate is actuarially determined to provide for the balance of the contributions needed to fund the annual normal cost (basic and cost of living) and the amortization of the unfunded actuarial accrued liability.

For the year ended June 30, 2021, the contributions for the Plan was as follows:

Contributions - Employer	$ 25,478,430

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the County reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	$ 247,246,342

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The County's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30,2020. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	96.25%
Proportion - June 30, 2020	96.26%
Change - Increase (Decrease)	0.004%

For the year ended June 30, 2021, the County recognized net pension expense of $14,977,727. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 4,132,622	$ 41,617
Changes in Assumptions	9,471,410	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,897,585	-
Changes in Proportion and Differences Between County's Contributions and Proportionate Share of Contributions	58,091	-
County's Contributions Subsequent to the Measurement Date	25,478,430	-
Total	$ 54,038,138	$ 41,617

The County reported $25,478,430 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Amount
2022	$ 6,795,893
2023	10,090,489
2024	7,361,505
2025	4,270,204
Total	28,518,091

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	3.00%
Payroll Growth	3.00%
Projected Salary Increase	4.00% – 8.50%, based on years of service (1)
Investment Rate of Return	7.00%
Mortality	Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, set back one year for males and set forward one year for females, projected 20 years with the two-dimensional mortality improvement Scale MP-2016

(1) Includes inflation at 3.00% plus across the board salary increases of 0.50% plus merit and promotion increases.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a April 14, 2017 actuarial experience study for the period July 1, 2013 – June 30, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

NOTE 9 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	24.7 %	5.49 %
U.S. Small Cap Equity	12.3	6.10
Global Equity	25.0	6.84
Domestic Fixed Income	21.0	1.09
Real Estate	11.0	4.59
Infrastructure	6.0	5.30
Total	100.0 %	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the County's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

One Percent Decrease	5.75%
Net Pension Liability	$ 348,328,842
Current Discount Rate	6.75%
Net Pension Liability	$ 247,246,342
One Percent Increase	7.70%
Net Pension Liability	$ 164,104,400

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued MCERA financial report.

NOTE 10 CONTINGENCIES

A. Litigation

There are many lawsuits pending in which the County is involved. Some of the lawsuits have been filed solely against the County, while in others, the County is one of a group of defendants. County Counsel had indicated that probable potential claims against the County are $50,000 to $100,000, while possible potential claims against the County range in the area of $1,000,000. The general liability self-insurance program would cover probable claims losses for which adequate reserves have been maintained.

B. Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

NOTE 11 RISK MANAGEMENT

The County has four risk management funds (Internal Service Funds) to administer the County's insurance programs that are fully self-insured, partially self-insured, or fully funded. Fund revenues are primarily premium charges to other departments and funds, and are planned to equal estimated expenses resulting from the self-insurance programs including claims expenses, liability insurance coverage in excess of the self-insured retention amounts, and other operating expenses. Liability for unpaid claims is subject to change due to future re-estimations of claims by program administrators, inflation, and changes in laws and regulations. The primary activities of the funds consist of risk management programs related to the following:

A. Unemployment Insurance

The County is fully self-insured for this program. The estimated claims liability at fiscal year-end was $789,722.

B. General Liability Insurance

The County maintains a self-insured retention (SIR) of $200,000 per occurrence for this program. Losses which exceed the SIR are covered by excess insurance obtained through CSAC-Excess Insurance Authority.

This program is the only insurance program administered without the benefit of a third party administrator.

NOTE 11 RISK MANAGEMENT (CONTINUED)

B. General Liability Insurance (Continued)

The administration of this program is a joint effort between the Risk Management Division and the Office of the County Counsel. The liability for unpaid claims was based on actual outstanding claims at June 30, 2021, plus an amount for "incurred but not reported claims." The liability is based on the estimated ultimate cost of settling the claims within the program's self-insured retention. The liability of $1,073,771 includes incurred but not reported claims.

C. Workers' Compensation

The County elected to become fully insured through CSAC-Excess Insurance Authority on July 1, 1997.

D. Health Insurance

The County is fully self-insured and administers the program. The County has hired Keenan Associates as a health plan consultant/actuary to review the health plan on an annual basis, and determine by how much County and employee share in premiums should be increased. The estimated claims liability at fiscal year-end was $2,571,698.

Changes in the fund's claims liability amount for the past two years were:

	Unemployment Insurance	General Liability	Health Insurance	Total
Claims Liability, July 1, 2019	$ 455,859	$ 855,523	$ 2,339,782	$ 3,651,164
Current Year Claims and Changes in Estimates	495,808	171,587	16,903,621	17,571,016
Claims Payments	(155,884)	(154,765)	(16,262,523)	(16,573,172)
Claims Liability, June 30, 2020	$ 795,783	$ 872,345	$ 2,980,880	$ 4,649,008
Claims Liability, July 1, 2020	$ 795,783	$ 872,345	$ 2,980,880	$ 4,649,008
Current Year Claims and Changes in Estimates	400,712	814,227	14,791,594	16,006,533
Claims Payments	(406,773)	(612,801)	(15,200,776)	(16,220,350)
Claims Liability, June 30, 2021	$ 789,722	$ 1,073,771	$ 2,571,698	$ 4,435,191

NOTE 12 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following funds reported an excess of expenditures over appropriations for the fiscal year ended June 30, 2021:

Fund	Amount in Excess
Special Districts Lighting	$ 4,665
Special District Other	22,766
Inter-Governmental Transfers	200,842
Whole Person Care	569,541

NOTE 13 DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2021:

Fund	Deficit
Other Governmental Funds:	
Disaster Recovery	$ (11,386,009)
Internal Service Funds:	
Unemployment Insurance	(96,832)
Health Insurance	(3,674,315)

These deficits are expected to be eliminated through receipts of grants, charges for services or transfers from the General Fund over time.

REQUIRED SUPPLEMENTARY INFORMATION

MENDOCINO
1850
COUNTY

COUNTY OF MENDOCINO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Date)						
	June 30, 2021 *(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	96.26%	96.25%	96.23%	95.17%	93.86%	93.24%	91.97%
County's Proportionate Share of the Net Pension Liability	$ 247,246,342	$ 206,708,080	$ 190,043,076	$ 186,099,824	$ 193,097,508	$ 154,924,361	$ 130,705,221
County's Covered Payroll	$ 68,592,195	$ 65,111,855	$ 61,443,717	$ 56,534,158	$ 54,492,771	$ 51,937,992	$ 50,778,344
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	360.46%	317.47%	309.30%	329.18%	354.35%	298.29%	257.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.70%	71.30%	72.49%	71.23%	67.45%	72.78%	75.68%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Schedule of the County's Contributions

Last 10 Fiscal Years*

	Reporting Fiscal Year						
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	$ 25,478,430	$ 23,515,845	$ 22,826,962	$ 19,650,882	$ 18,209,544	$ 17,950,331	$ 14,139,041
Contributions Related to the Actuarially Determined Contribution	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	$ 69,964,039	$ 68,592,195	$ 65,111,855	$ 61,443,717	$ 56,534,158	$ 54,492,771	$ 51,937,992
Contributions as a Percentage of Covered Payroll	36.42%	34.28%	35.06%	31.98%	32.21%	32.94%	27.22%

Notes to Schedule

Valuation Date:

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 81,802,155	$ 83,802,155	$ 92,165,453	$ 8,363,298
Licenses and Permits	5,292,458	5,292,458	4,961,346	(331,112)
Fines, Forfeits, and Penalties	1,314,614	1,334,614	916,522	(418,092)
Revenue From Use of Money and Property	1,100,020	1,128,757	761,016	(367,741)
Intergovernmental	114,087,194	125,433,935	100,836,364	(24,597,571)
Charges for Services	12,921,494	13,080,561	12,346,360	(734,201)
Other Revenue	1,408,739	1,408,739	1,742,247	333,508
Total Revenues	217,926,674	231,481,218	213,729,308	(17,751,910)
EXPENDITURES				
Current:				
General government:				
Assessor	1,842,544	1,842,544	1,600,746	241,798
Auditor-Controller	1,449,984	1,469,984	1,547,288	(77,304)
Board Of Supervisors	819,335	848,585	835,069	13,516
Buildings & Grounds	4,130,954	4,190,123	4,474,708	(284,585)
Clerk Of The Board	553,656	553,656	532,775	20,881
County Clerk	277,830	277,830	280,041	(2,211)
County Clerk-Election	512,495	741,532	642,260	99,272
County Counsel	1,296,935	1,346,935	1,472,226	(125,291)
County Executive Office	1,234,650	1,384,650	1,224,133	160,517
County Garage	28,000	13,000	22,017	(9,017)
Economic Development	567,371	567,371	825,041	(257,670)
Employee Wellness/Assistance	48,776	48,776	40,914	7,862
Engineering & Technical Assist	1,101,268	1,254,387	1,091,346	163,041
General Services	459,642	469,637	477,459	(7,822)
Human Resources	950,508	1,023,772	989,702	34,070
Information Services	3,751,662	3,781,426	3,320,880	460,546
Miscellaneous Budget	2,415,298	5,876,730	1,966,997	3,909,733
Nondepartmental Revenue	(3,275,153)	(3,275,153)	(3,203,410)	(71,743)
Property Characteristics	91,687	91,687	-	91,687
Retirement	698,471	698,471	726,439	(27,968)
Treasurer-Tax Collector	852,289	880,065	870,877	9,188
Total general government	19,808,202	24,086,008	19,737,508	4,348,500
Public protection:				
Agriculture Dept	1,458,261	1,493,261	1,321,004	172,257
Alternate Defender	786,112	786,112	914,807	(128,695)
Animal Control	1,550,621	1,550,621	1,342,117	208,504
Cannabis Management	822,172	937,172	639,379	297,793
Child Support Services	2,745,024	2,653,941	2,166,787	487,154
Courts-Ab233 Program	1,303,668	1,303,668	1,176,951	126,717
District Attorney	5,690,369	5,722,259	6,802,353	(1,080,094)
Emergcy Svc Cd Safety	403,399	510,914	374,374	136,540
Fire	600,000	600,000	740,929	(140,929)
Grand Jury	89,600	89,600	38,522	51,078
Indigent Defense	350,000	350,000	352,885	(2,885)
Juvenile Hall	2,467,075	2,467,075	2,256,516	210,559
Mendocino County Jail	14,863,030	15,156,040	15,258,741	(102,701)
Mendocino County Sheriff	21,147,209	21,394,476	23,130,387	(1,735,911)
Mobile Spay/Neuter	139,552	139,552	70,702	68,850
Planning & Building Services	6,348,632	6,348,632	5,086,660	1,261,972
Planning & Building Spec Proj	505,000	590,000	35,663	554,337
Probation Officer	5,925,063	6,016,702	5,791,436	225,266
Public Defender	2,513,207	2,513,207	3,447,975	(934,768)
Total public protection	69,707,994	70,623,232	70,948,188	(324,956)

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public ways and facilities:				
DOT - Mendocino Cty Airport	$ 12,115,115	$ 12,115,115	$ 175,199	$ 11,939,916
DOT - Round Valley Airport	637,561	790,395	605,635	184,760
Total public ways and facilities	12,752,676	12,905,510	780,834	12,124,676
Health and sanitation:				
Alcohol/Other Drug Program	2,657,775	3,604,594	2,660,527	944,067
Emergency Medical Services	1,479,641	1,479,641	152,174	1,327,467
Employee Wellness/Assistance	353,757	353,757	286,948	66,809
Environmental Health	3,023,605	3,023,605	2,242,207	781,398
Hospital /Medical Services	276,000	276,000	159,708	116,292
Landfill Closure	1,824,774	1,824,774	508,738	1,316,036
Mendocino County Solid Waste	247,313	247,313	326,604	(79,291)
Public Health	3,219,532	6,786,475	5,911,119	875,356
Public Health Nursing	2,867,285	2,867,285	1,836,397	1,030,888
Public Health-Ccs	1,079,159	1,079,159	682,690	396,469
Transitional Housing	-	600,000	315,584	284,416
Total health and sanitation	17,028,841	22,142,603	15,082,696	7,059,907
Public assistance:				
Calworks/Foster Care	25,836,780	25,836,780	22,171,814	3,664,966
General Relief	585,812	585,812	523,460	62,352
Health & Human Services Admin	311,959	311,959	244,556	67,403
In Home Support Services	5,584,250	5,584,250	5,878,759	(294,509)
Social Services	53,709,265	53,777,105	48,004,038	5,773,067
Total public assistance	86,028,066	86,095,906	76,822,627	9,273,279
Education:				
Farm Advisor	242,257	242,257	191,424	50,833
Total education	242,257	242,257	191,424	50,833
Recreation and culture:				
Mendocino Cnty Museum	609,460	688,197	561,138	127,059
Total recreation and culture	609,460	688,197	561,138	127,059
Debt Service:				
Principal	4,400,000	4,400,000	4,761,819	(361,819)
Interest and Fiscal Charges	500,000	500,000	36,753	463,247
Total debt service	4,900,000	4,900,000	4,798,572	101,428
Capital Outlay:				
Capital Improvements	5,501,516	10,833,627	3,223,702	7,609,925
Total capital outlay	5,501,516	10,833,627	3,223,702	7,609,925
Total expenditures	216,579,012	232,517,340	192,146,689	40,370,651
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,347,662	(1,036,122)	21,582,619	22,618,741
OTHER FINANCING SOURCES (USES)				
Transfers In	4,868,484	12,525,901	6,974,531	(5,551,370)
Transfers Out	(11,472,855)	(26,604,438)	(20,609,352)	5,995,086
Total Other Financing Sources (Uses)	(6,604,371)	(14,078,537)	(13,634,821)	443,716
NET CHANGE IN FUND BALANCES	(5,256,709)	(15,114,659)	7,947,798	23,062,457
Budgetary Fund Balances - Beginning of Year	73,039,076	73,039,076	73,039,076	-
BUDGETARY FUND BALANCES - END OF YEAR	$ 67,782,367	$ 57,924,417	$ 80,986,874	$ 23,062,457

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021

Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balance

Total Revenues from the Budgetary Comparison Schedule	$ 213,729,308
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports a portion of the disbursement as a reduction of the taxes revenue.	(4,761,819)
Total Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 208,967,489
Total expenditures from the budgetary comparison schedule	$ 192,146,689
The County budgets transfers to the Pension Obligation Fund as functional expenditures.	(6,924,491)
The County budgets transfers to the Tax Resources Fund as a debt service expenditure, but reports the disbursement as a reduction of taxes revenue.	(4,761,819)
Total Expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	$ 180,460,379

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ (27,416)	$ (27,416)	$ 4,696	$ 32,112
Intergovernmental	27,200,721	27,300,721	25,752,998	(1,547,723)
Charges for Services	930,370	930,370	1,918,576	988,206
Other Revenues	150,150	150,150	112,286	(37,864)
Total Revenues	28,253,825	28,353,825	27,788,556	(565,269)
EXPENDITURES				
Current:				
Health and Sanitation	29,159,932	29,303,285	25,005,874	4,297,411
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(906,107)	(949,461)	2,782,682	3,732,143
OTHER FINANCING SOURCES (USES)				
Transfers In	755,386	909,416	300,000	(609,416)
Transfers Out	(592,425)	(592,425)	(233,779)	358,646
Total Other Financing Sources (Uses)	162,961	316,991	66,221	(250,770)
NET CHANGE IN FUND BALANCES	(743,146)	(632,470)	2,848,903	3,481,373
Fund Balances - Beginning of Year	2,300,262	2,300,262	2,300,262	-
FUND BALANCES - END OF YEAR	$ 1,557,116	$ 1,667,792	$ 5,149,165	$ 3,481,373

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – ROAD FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 54,000	$ 66,000	$ 52,319	$ (13,681)
Licenses, Permits, and Franchises	56,000	56,000	157,801	101,801
Revenue From Use of Money and Property	70,000	70,000	(78,136)	(148,136)
Fines, Forfeitures, and Penalties	40,000	40,000	32,615	(7,385)
Intergovernmental	24,352,817	24,491,817	16,036,616	(8,455,201)
Charges for Services	78,726	78,726	291,268	212,542
Other Revenues	18,000	18,000	13,318	(4,682)
Total Revenues	24,669,543	24,820,543	16,505,801	(8,314,742)
EXPENDITURES				
Current:				
Public Ways and Facilities	31,807,859	32,348,794	21,024,918	11,323,876
Total Expenditures	31,807,859	32,348,794	21,024,918	11,323,876
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,138,316)	(7,528,251)	(4,519,117)	3,009,134
OTHER FINANCING SOURCES (USES)				
Transfers In	3,766,860	3,981,757	3,981,757	1
Transfers Out	-	(55,150)	(437,604)	(382,454)
Total Other Financing Sources (Uses)	3,766,860	3,926,607	3,544,153	(382,454)
NET CHANGE IN FUND BALANCES	(3,371,456)	(3,601,645)	(974,964)	2,626,681
Fund Balances - Beginning of Year	4,984,393	4,984,393	4,984,393	-
FUND BALANCES - END OF YEAR	$ 1,612,937	$ 1,382,748	$ 4,009,429	$ 2,626,681

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MENTAL HEALTH TREATMENT FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 8,500,000	$ 8,500,000	$ 10,848,181	$ 2,348,181
Revenue From Use of Money and Property	200,000	200,000	72,107	(127,893)
Total Revenues	8,700,000	8,700,000	10,920,288	2,220,288
EXPENDITURES				
Current:				
Health and Sanitation	286,575	294,985	159,834	135,151
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,413,425	8,405,015	10,760,454	2,220,288
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,706,600)	(2,706,600)	(2,328,153)	378,447
NET CHANGE IN FUND BALANCES	5,706,825	5,698,415	8,432,301	2,598,735
Fund Balances - Beginning of Year	18,518,784	18,518,784	18,518,784	-
FUND BALANCES - END OF YEAR	$ 24,225,609	$ 24,217,199	$ 26,951,085	$ 2,598,735

See accompanying Notes to Required Supplementary Information.

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DISASTER RECOVERY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 9,544,371	$ 17,015,856	$ 13,901,273	$ (3,114,583)
Other Revenues	-	-	5,600	5,600
Total Revenues	9,544,371	17,015,856	13,906,873	(3,108,983)
EXPENDITURES				
Current:				
Public Protection	10,962,734	11,737,734	5,707,961	6,029,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,418,363)	5,278,122	8,198,912	2,920,790
OTHER FINANCING SOURCES (USES)				
Transfers In	1,778,285	2,426,745	2,426,745	-
Transfers Out	-	(7,480,485)	(20,475,700)	(12,995,215)
Total Other Financing Sources (Uses)	1,778,285	(5,053,740)	(18,048,955)	(12,995,215)
NET CHANGE IN FUND BALANCES	359,922	224,382	(9,850,043)	(10,074,425)
Fund Balances - Beginning of Year	(1,535,966)	(1,535,966)	(1,535,966)	-
FUND BALANCES - END OF YEAR	$ (1,176,044)	$ (1,311,584)	$ (11,386,009)	$ (10,074,425)

See accompanying Notes to Required Supplementary Information.

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all governmental funds. The legal level of control for appropriations is at the budget unit level. Appropriations at this level may only be changed with the approval of the Board. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and is amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end.

Budgets are adopted for the General Fund, Debt Service Funds, and most Special Revenue Funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. Budgets were not legally adopted for the following Special Revenue Funds: the Special Aviation Fund, the Supplemental Law Enforcement Fund, the Sheriff Special Projects Fund, and the Endowment Fund.

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SUPPLEMENTARY INFORMATION

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OTHER BUDGETARY SCHEDULES

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COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 30,000	$ 30,000	$ 35,703	$ 5,703
Revenue From Use of Money and Property	(8,000)	(8,000)	(4,710)	3,290
Fines, Forfeitures, and Penalties	12,000	12,000	7,800	(4,200)
Total Revenues	34,000	34,000	38,793	4,793
EXPENDITURES				
Current:				
General Government	3,600	3,600	3,425	175
Debt Service:				
Principal	1,230,000	1,230,000	1,230,000	-
Interest	635,500	635,500	635,498	2
Total Expenditures	1,869,100	1,869,100	1,868,923	177
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,835,100)	(1,835,100)	(1,830,130)	4,970
OTHER FINANCING SOURCES (USES)				
Transfers In	1,835,100	1,835,100	1,835,100	-
NET CHANGE IN FUND BALANCES	-	-	4,970	4,970
Fund Balances - Beginning of Year	1,999,064	1,999,064	1,999,064	-
FUND BALANCES - END OF YEAR	$ 1,999,064	$ 1,999,064	$ 2,004,034	$ 4,970

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ (58,000)	$ (58,000)	$ (32,537)	$ 25,463
Other Revenues	-	-	467,342	467,342
Total Revenues	(58,000)	(58,000)	434,805	492,805
EXPENDITURES				
Current:				
General Government	4,000	4,000	3,649	351
Debt Service:				
Principal	5,440,000	5,440,000	5,440,000	-
Interest	2,408,750	2,408,750	2,408,750	-
Total Expenditures	7,852,750	7,852,750	7,852,399	351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,910,750)	(7,910,750)	(7,417,594)	493,156
OTHER FINANCING SOURCES (USES)				
Transfers In	7,910,750	7,910,750	7,841,170	(69,580)
NET CHANGE IN FUND BALANCES	-	-	423,576	423,576
Fund Balances - Beginning of Year	7,644,074	7,644,074	7,644,074	-
FUND BALANCES - END OF YEAR	$ 7,644,074	$ 7,644,074	$ 8,067,650	$ 423,576

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

MENDOCINO
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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. The County has the following types of non-major special revenue funds:

- **LIBRARY**
  This fund provides library services for all residents and visitors to this beautiful County. The Mendocino County Library System consists of five branches located in Ukiah, Fort Bragg, Willits, Covelo, and Point Arena along with the Bookmobile that provides services to outlying areas. Libraries are community centers and the branches greatly reflect the dynamic and unique communities that support and utilize its many services.

- **FISH AND GAME**
  The County of Mendocino has a Fish and Wildlife Propagation Fund, which represents a portion of fines imposed by the Superior Court of Mendocino County for Fish and Game violations. Funds support the Fish and Game Commission in monitoring the status of fish, game, and wildlife in the County, identifying threats, and advising the Board on relevant issues and activities. Funds also support public education and research, community-based activities to improve fish and wildlife habitat, and County representation within and outside the county.

- **SPECIAL AVIATION**
  This Special Revenue fund accounts for State and Federal Grants and Aid for Little River and Round Valley airports, which provide facilities for general aviation and serves the air transport needs for northern Mendocino County (Round Valley), the Mendocino County coast (Little River), the California Aviation System and the National Integrated Airport System. Little River and Round Valley airports additionally function as incident command centers/disaster relief staging centers for emergencies, including medical evacuation and major fire, severe storm or earthquake events.

- **SUPPLEMENTAL LAW ENFORCEMENT**
  The Supplemental Law Enforcement Services Fund (SLESF) supports COPS (Citizen's Options for Public Safety) and is established in each County pursuant to California Government Code §30061-30065. This fund also provides for one of the two allocated positions within the Sheriff's Office to assist in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **COPS AB 1913**
  COPS (Citizen's Options for Public Safety) is funded by the Supplemental Law Enforcement Services Fund (SLESF). The fund is established in each County pursuant to California Government Code §30061-30065. The formula for allocating COPS funds is as follows:

  1. 5.15% to the County Sheriff for County Jail construction and operations;
  2. 5.15% to the District Attorney's Office for criminal prosecutions;
  3. 39.7% to the County and the cities within the County, for supplemental front-line law enforcement services; and
  4. 50% to the County for implementation of a comprehensive, multi-agency juvenile justice plan.

This budget unit provides funding for one of the two allocated positions within the Sheriff's Office, the Sheriff's Technology Specialist, who assists in the operation and maintenance of the Sheriff's computer hardware, software and networks.

- **SHERIFF SPECIAL PROJECTS**
  The Sheriff Office occasionally receives donations from individuals, service clubs and other agencies. The donations may be for unrestricted use or restricted for a specific purpose (memorials, K-9 Program). The Sheriff Special Projects fund is used to account for the receipt and disbursement of these funds.

- **RECORDER MODERNIZATION**
  Revenues to this fund are provided through fee collection at the time of recording. The overall mission of the Recorder's Modernization fund is to modernize creation, retention and retrieval of the Clerk-Recorder's records, including the restoration of early handwritten records and entering them into the County's computer system.

- **MICROGRAPHICS**
  This special revenue fund further supports the Micrographic Division of the Assessor-Clerk Recorder's Office with regard to micrographic reproductions of County records, and retention and retrieval of Clerk-Recorder's records.

- **MISCELLANEOUS GRANTS**
  Miscellaneous non-departmental grants applied for and received by the County of Mendocino that are used to address and/or support a specified (restricted) need or activity.

- **SPECIAL DISTRICTS LIGHTING**
  There are currently eleven special lighting districts. These districts are funded by secured and unsecured property tax revenues for the purpose of installing street lights in the related district.

- **SPECIAL DISTRICTS OTHER**
  There are currently three other special districts as follows:

  1. AIR QUALITY MANAGEMENT DISTRICT
     The Air Quality Management District (AQMD) has the primary responsibility for the monitoring and control of air pollution from all stationary sources within the boundaries of Mendocino County, including the four incorporated cities. The District is funded by permit fees, motor vehicle fees, state subvention funds, and state and federal grants. The funds support the District's mission to protect air quality, improve levels of service to the public, the regulated community and other agencies, while at the same time striving to reduce and control costs.

  2. MEADOWBROOK SANITATION DISTRICT
     The district is funded by secured and unsecured property tax revenues for the purpose of supporting the sanitation facility in that district.

  3. MENDOCINO COUNTY WATER AGENCY
     Mendocino County Water Agency (MCWA) is a Special District governed by the Board of Supervisors, sitting as the Board of Directors. MCWA revenue is generated from a tax that was established in 1971, which does not exceed $0.06 per $100 of assessed valuation. The Water Agency provides project management and compliance for and with the following:

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 (HHSA) maximizes realignment funds by participating in the Inter-Governmental Transfer (IGT) opportunity with Partnership HealthPlan of California (PHC) to access additional Medi-Cal funding to provide services to Medi-Cal eligible beneficiaries. This fund accounts for the realignment health services funds and other federal funds awarded to support the health and wellbeing of Medi-Cal beneficiaries throughout Mendocino County.

- **WHOLE PERSON CARE**
  The Whole Person Care fund accounts for Medi-Cal 2021 grants, awarded through California's Section 115(a) Medicaid Waiver, for the Health and Human Services Agency's Whole Person Care Pilot Program, which aims to improve the wellbeing of Mendocino County residents experiencing mental illness, social isolation and/or poor health through enhanced inter-agency collaboration, peer support, and care coordination.

CAPITAL PROJECTS

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types. The County has the following types of non-major capital projects funds:

1. CAPITAL IMPROVEMENTS (BU 1710)
   The Capital Improvement Fund provides monies for facility enhancements and large-scale maintenance projects, such as roof replacements, parking lot repairs, and heating and cooling upgrades and significant repairs or remodels. These funds also provide for compliance with the Americans with Disabilities Act (ADA) to plan and complete retrofits for the removal of barriers to disabled access in County facilities.

2. CAPITAL PROJECTS (BU 1712)
This fund provides for the construction of major capital facilities projects. Currently, these funds are reserved exclusively for the upcoming expansion project at the Mendocino County Jail. Over the past several of years the Board has set aside $1 million to be used for local cash match for the project. In 2017, the Bureau of State and Community Corrections (BSCC) announced that Mendocino County was conditionally awarded $25 million in lease revenue bond funding to expand the local jail. This project will take several years to complete, and is currently projected to be ready for occupancy in 2021. No other capital projects will be administered through this budget unit until the jail project is completed.

PERMANENT FUNDS

Permanent funds are used to account for resources that cannot be expended, but must be held in perpetuity. Funds are invested and only earnings, not principal, may be used for a specified purpose. The County has the following types of non-major permanent funds:

- **ENDOWMENT FUNDS**
There are several types of endowment funds. Term endowment funds have a built-in stipulation that either part or all of the principal may be used only after a pre-established period has elapsed. Unrestricted endowment funds can be used in any way the recipient chooses. Restricted endowment funds may have limitations put in place by the donor.

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
ASSETS				
Cash and Investments in County Treasury	$ 1,800,738	$ 122,366	$ 155,893	$ 374,731
Imprest Cash	395	-	-	-
Accounts Receivable	494	-	-	-
Taxes Receivable	512,136	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	$ 2,313,763	$ 122,366	$ 155,893	$ 374,731
LIABILITIES				
Accounts Payable	$ 54,871	$ 108	$ -	$ -
Accrued Salaries and Benefits	116,170	-	-	6,656
Total Liabilities	171,041	108	-	6,656
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable Endowments	-	-	-	-
Restricted	2,142,722	122,258	155,893	368,075
Assigned	-	-	-	-
Total Fund Balances	2,142,722	122,258	155,893	368,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,313,763	$ 122,366	$ 155,893	$ 374,731

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
ASSETS				
Cash and Investments in County Treasury	$ 548,183	$ 57,641	$ 124,673	$ 36,749
Imprest Cash	-	-	-	-
Accounts Receivable	-	-	2	1
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	-	-	-	-
Total Assets	$ 548,183	$ 57,641	$ 124,675	$ 36,750
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ 437
Accrued Salaries and Benefits	-	-	-	-
Total Liabilities	-	-	-	437
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	548,183	57,641	124,675	36,313
Assigned	-	-	-	-
Total Fund Balances	548,183	57,641	124,675	36,313
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 548,183	$ 57,641	$ 124,675	$ 36,750

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter-governmental Transfer
ASSETS				
Cash and Investments in County Treasury	$ 3,713,758	$ 568,067	$ 1,197,642	$ 11,287,418
Imprest Cash	-	-	200	-
Accounts Receivable	606,172	-	141,938	-
Taxes Receivable	-	-	-	-
Due From Other Governmental Agencies	361,251	-	137,943	-
Total Assets	$ 4,681,181	$ 568,067	$ 1,477,723	$ 11,287,418
LIABILITIES				
Accounts Payable	$ 486,869	$ 3,860	$ 123,873	$ 1,654,499
Accrued Salaries and Benefits	90,515	-	37,479	-
Total Liabilities	577,384	3,860	161,352	1,654,499
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	259,465	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	4,103,797	564,207	1,056,906	9,632,919
Assigned	-	-	-	-
Total Fund Balances	4,103,797	564,207	1,056,906	9,632,919
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,681,181	$ 568,067	$ 1,477,723	$ 11,287,418

COUNTY OF MENDOCINO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue		Permanent Fund	
	Whole Person Care	Capital Projects	Endowment Funds	Total
ASSETS				
Cash and Investments in County Treasury	$ 1,394,699	$ 1,888,372	$ 566,971	$ 23,837,901
Imprest Cash	-	-	-	595
Accounts Receivable	750,202	-	-	1,498,809
Taxes Receivable	-	-	-	512,136
Due From Other Governmental Agencies	-	-	-	499,194
Total Assets	$ 2,144,901	$ 1,888,372	$ 566,971	$ 26,348,635
LIABILITIES				
Accounts Payable	$ 512,721	$ 766,901	$ -	$ 3,604,139
Accrued Salaries and Benefits	13,309	-	-	264,129
Total Liabilities	526,030	766,901	-	3,868,268
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	750,202	-	-	1,009,667
FUND BALANCE				
Nonspendable	-	-	566,971	566,971
Restricted	868,669	-	-	19,782,258
Assigned	-	1,121,471	-	1,121,471
Total Fund Balances	868,669	1,121,471	566,971	21,470,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,144,901	$ 1,888,372	$ 566,971	$ 26,348,635

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	Library	Fish and Game	Special Aviation	Supplemental Law Enforcement
REVENUES				
Taxes	$ 2,870,111	$ -	$ -	$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	85,341	-	-	193,226
Revenue From Use of Money and Property	7,768	(11)	(1,212)	395
Fines, Forfeitures, and Penalties	-	4,241	-	-
Charges for Services	38,458	-	-	-
Other Revenue	713	-	-	-
Total Revenues	3,002,391	4,230	(1,212)	193,621
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	5,430	-	150,370
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	3,366,356	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	3,366,356	5,430	-	150,370
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(363,965)	(1,200)	(1,212)	43,251
OTHER FINANCING SOURCES (USES)				
Transfers In	1,408,238	-	-	-
Transfers Out	(119,523)	-	-	(5,990)
Total Other Financing Sources (Uses)	1,288,715	-	-	(5,990)
NET CHANGE IN FUND BALANCES	924,750	(1,200)	(1,212)	37,261
Fund Balances - Beginning of Year, Restated	1,217,972	123,458	157,105	330,814
FUND BALANCES - END OF YEAR	$ 2,142,722	$ 122,258	$ 155,893	$ 368,075

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	COPS AB 1913	Sheriff Special Projects	Recorder Modernization	Micrographics
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses, Permits, and Franchises	-	-	-	-
Aid from other governmental agencies	236,761	-	-	-
Revenue From Use of Money and Property	1,216	(266)	484	266
Fines, Forfeitures, and Penalties	-	-	-	-
Charges for Services	-	-	108,828	21,580
Other Revenue	-	1,144	-	19,803
Total Revenues	237,977	878	109,312	41,649
EXPENDITURES				
Current:				
General Government	-	-	54,223	5,249
Public Protection	134,788	39,275	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	134,788	39,275	54,223	5,249
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	103,189	(38,397)	55,089	36,400
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	103,189	(38,397)	55,089	36,400
Fund Balances - Beginning of Year, Restated	444,994	96,038	69,586	(87)
FUND BALANCES - END OF YEAR	$ 548,183	$ 57,641	$ 124,675	$ 36,313

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue			
	Miscellaneous Grants	Special Districts Lighting	Special Districts Other	Inter-governmental Transfer
REVENUES				
Taxes	$ -	$ 88,000	$ 170,728	$ -
Licenses, Permits, and Franchises	-	-	358,205	-
Aid from other governmental agencies	5,416,991	606	1,645,651	6,621,450
Revenue From Use of Money and Property	(66,939)	(3,930)	650	(67,941)
Fines, Forfeitures, and Penalties	11,598	-	5,349	-
Charges for Services	216,210	-	21,722	96,717
Other Revenue	11,672	-	645	-
Total Revenues	5,589,532	84,676	2,202,950	6,650,226
EXPENDITURES				
Current:				
General government	123,277	-	-	-
Public protection	970,770	-	997,260	-
Public ways and facilities	-	51,665	-	-
Health and sanitation	7,461,820	-	914,167	15,287,967
Public assistance	109,646	-	-	-
Education	-	-	-	-
Recreation and Culture	376	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	8,665,889	51,665	1,911,427	15,287,967
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,076,357)	33,011	291,523	(8,637,741)
OTHER FINANCING SOURCES (USES)				
Transfers In	158,719	-	94,000	11,576,837
Transfers Out	(521,057)	-	(167,005)	(2,707,244)
Total Other Financing Sources (Uses)	(362,338)	-	(73,005)	8,869,593
NET CHANGE IN FUND BALANCES	(3,438,695)	33,011	218,518	231,852
Fund Balances - Beginning of Year, Restated	7,542,492	531,196	838,388	9,401,067
FUND BALANCES - END OF YEAR	$ 4,103,797	$ 564,207	$ 1,056,906	$ 9,632,919

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Special Revenue		Permanent Fund	
	Whole Person Care	Capital Projects	Endowment Funds	Total
REVENUES				
Taxes	$ -	$ -	$ -	$ 3,128,839
Licenses, Permits, and Franchises	-	-	-	358,205
Aid from other governmental agencies	2,877,079	-	-	17,077,105
Revenue From Use of Money and Property	-	2,977	(3,805)	(130,348)
Fines, Forfeitures, and Penalties	-	-	-	21,188
Charges for Services	1,368,607	-	-	1,872,122
Other Revenue	-	-	-	33,977
Total Revenues	4,245,686	2,977	(3,805)	22,361,088
EXPENDITURES				
Current:				
General government	-	-	78,799	261,548
Public protection	-	-	-	2,297,893
Public ways and facilities	-	-	-	51,665
Health and sanitation	4,504,375	-	-	28,168,329
Public assistance	-	-	-	109,646
Education	-	-	-	3,366,356
Recreation and Culture	-	-	-	376
Capital Outlay	-	16,873,585	-	16,873,585
Total Expenditures	4,504,375	16,873,585	78,799	51,129,398
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(258,689)	(16,870,608)	(82,604)	(28,768,310)
OTHER FINANCING SOURCES (USES)				
Transfers In	981,260	16,853,897	-	31,072,951
Transfers Out	(1,901,877)	-	-	(5,422,696)
Total Other Financing Sources (Uses)	(920,617)	16,853,897	-	25,650,255
NET CHANGE IN FUND BALANCES	(1,179,306)	(16,711)	(82,604)	(3,118,055)
Fund Balances - Beginning of Year, Restated	2,047,975	1,138,182	649,575	24,588,755
FUND BALANCES - END OF YEAR	$ 868,669	$ 1,121,471	$ 566,971	$ 21,470,700

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – LIBRARY FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,140,000	$ 2,140,000	$ 2,870,111	$ 730,111
Revenue From Use of Money and Property	34,954	34,954	7,768	(27,186)
Intergovernmental	-	85,341	85,341	-
Charges for Services	30,885	30,885	38,458	7,573
Other Revenues	8,800	8,800	713	(8,087)
Total Revenues	2,214,639	2,299,980	3,002,391	702,411
EXPENDITURES				
Current:				
Education	4,350,223	4,350,223	3,366,356	983,867
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,135,584)	(2,050,243)	(363,965)	1,686,278
OTHER FINANCING SOURCES (USES)				
Transfers In	1,379,826	1,379,826	1,408,238	28,412
Transfers Out	(73,000)	(73,000)	(119,523)	(46,523)
Total Other Financing Sources (Uses)	1,306,826	1,306,826	1,288,715	(18,111)
NET CHANGE IN FUND BALANCES	(828,758)	(743,417)	924,750	1,668,167
Fund Balances - Beginning of Year	1,217,972	1,217,972	1,217,972	-
FUND BALANCES - END OF YEAR	$ 389,214	$ 474,555	$ 2,142,722	$ 1,668,167

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – FISH AND GAME FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 1,700	$ 1,700	$ (11)	$ (1,711)
Fines, Forfeitures, and Penalties	10,000	10,000	4,241	(5,759)
Charges for Services	-	-	-	-
Total Revenues	11,700	11,700	4,230	(7,470)
EXPENDITURES				
Current:				
Public Protection	11,700	11,700	5,430	6,270
NET CHANGE IN FUND BALANCES	-	-	(1,200)	(1,200)
Fund Balances - Beginning of Year	123,458	123,458	123,458	-
FUND BALANCES - END OF YEAR	$ 123,458	$ 123,458	$ 122,258	$ (1,200)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – RECORDER MODERNIZATION FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 800	$ 800	$ 484	$ (316)
Charges for Services	61,000	61,000	108,828	47,828
Total Revenues	61,800	61,800	109,312	47,512
EXPENDITURES				
Current:				
General Government	52,700	54,423	54,223	200
NET CHANGE IN FUND BALANCES	9,100	7,377	55,089	47,712
Fund Balances - Beginning of Year	69,586	69,586	69,586	-
FUND BALANCES - END OF YEAR	$ 78,686	$ 76,963	$ 124,675	$ 47,712

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MICROGRAPHICS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ -	$ -	$ 266	$ 266
Charges for Services	74,819	74,819	21,580	(53,239)
Other Revenues	20,000	20,000	19,803	(197)
Total Revenues	94,819	94,819	41,649	(53,170)
EXPENDITURES				
Current:				
General Government	94,819	94,819	5,249	89,570
NET CHANGE IN FUND BALANCES	-	-	36,400	36,400
Fund Balances - Beginning of Year	(87)	(87)	(87)	-
FUND BALANCES - END OF YEAR	$ (87)	$ (87)	$ 36,313	$ 36,400

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – MISCELLANEOUS GRANTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, Forfeitures, and Penalties	$ -	$ -	$ 11,598	$ 11,598
Intergovernmental	7,805,137	14,483,646	5,416,991	(9,066,655)
Revenue From Use of Money and Property	-	-	(66,939)	(66,939)
Charges for Services	(1,743,335)	(326,909)	216,210	543,119
Other Revenues	-	-	11,672	11,672
Total Revenues	6,061,802	14,156,737	5,589,532	(8,567,205)
EXPENDITURES				
Current:				
General Government	-	208,106	123,277	84,829
Public Protection	(591,767)	3,214,555	970,770	2,243,785
Health and Sanitation	6,796,988	10,984,746	7,461,820	3,522,926
Public Assistance	207,412	45,754	109,646	(63,892)
Recreation and Culture	-	-	376	(376)
Total Expenditures	6,412,633	14,453,161	8,665,889	5,787,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(350,831)	(296,424)	(3,076,357)	(2,779,557)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	105,000	158,719	53,719
Transfers Out	-	(38,726)	(521,057)	(482,331)
Total Other Financing Sources (Uses)	-	66,274	(362,338)	(428,612)
NET CHANGE IN FUND BALANCES	(350,831)	(230,150)	(3,438,695)	(3,208,169)
Fund Balances - Beginning of Year	7,542,492	7,542,492	7,542,492	-
FUND BALANCES - END OF YEAR	$ 7,191,661	$ 7,312,342	$ 4,103,797	$ (3,208,169)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS LIGHTING FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 86,685	$ 86,685	$ 88,000	$ 1,315
Intergovernmental	705	705	606	(99)
Revenue From Use of Money and Property	-	-	(3,930)	(3,930)
Total Revenues	87,390	87,390	84,676	(2,714)
EXPENDITURES				
Current:				
Public Ways and Facilities	47,000	47,000	51,665	(4,665)
NET CHANGE IN FUND BALANCES	40,390	40,390	33,011	(7,379)
Fund Balances - Beginning of Year	531,196	531,196	531,196	-
FUND BALANCES - END OF YEAR	$ 571,586	$ 571,586	$ 564,207	$ (7,379)

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – SPECIAL DISTRICTS OTHER FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 163,220	$ 163,220	$ 170,728	$ 7,508
Licenses, Permits, and Franchises	315,500	315,500	358,205	42,705
Revenue From Use of Money and Property	6,300	6,300	650	(5,650)
Fines, Forfeitures, and Penalties	5,000	5,000	5,349	349
Intergovernmental	1,185,220	1,185,220	1,645,651	460,431
Charges for Services	82,092	82,092	21,722	(60,370)
Other Revenues	2,550	2,550	645	(1,905)
Total Revenues	1,759,882	1,759,882	2,202,950	443,068
EXPENDITURES				
Current:				
Public Protection	739,700	789,700	997,260	(207,560)
Health and Sanitation	1,062,172	1,098,961	914,167	184,794
Total Expenditures	1,801,872	1,888,661	1,911,427	(22,766)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(41,990)	(128,779)	291,523	420,302
OTHER FINANCING SOURCES (USES)				
Transfers In	44,000	94,000	94,000	420,302
Transfers Out	-	(123,460)	(167,005)	(43,545)
Total Other Financing Sources (Uses)	44,000	(29,460)	(73,005)	376,757
NET CHANGE IN FUND BALANCES	2,010	(158,239)	218,518	797,060
Fund Balances - Beginning of Year	838,388	838,388	838,388	-
FUND BALANCES - END OF YEAR	$ 840,398	$ 680,149	$ 1,056,906	$ 797,060

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – INTER-GOVERNMENTAL TRANSFERS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 6,405,479	$ 6,405,479	$ 6,621,450	$ 215,971
Revenue From Use of Money and Property	-	-	(67,941)	(67,941)
Charges for Services	-	-	96,717	96,717
Total Revenues	6,405,479	6,405,479	6,650,226	215,971
EXPENDITURES				
Current:				
Health and Sanitation	3,062,192	15,087,125	15,287,967	(200,842)
Total Expenditures	3,062,192	15,087,125	15,287,967	(200,842)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,343,287	(8,681,646)	(8,637,741)	15,129
OTHER FINANCING SOURCES (USES)				
Transfers In	-	715,180	11,576,837	10,861,657
Transfers Out	(2,825,000)	(2,825,000)	(2,707,244)	117,756
Total Other Financing Sources (Uses)	(2,825,000)	(2,109,820)	8,869,593	10,979,413
NET CHANGE IN FUND BALANCES	518,287	(10,791,466)	231,852	10,994,542
Fund Balances - Beginning of Year	9,401,067	9,401,067	9,401,067	-
FUND BALANCES - END OF YEAR	$ 9,919,354	$ (1,390,399)	$ 9,632,919	$ 10,994,542

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – WHOLE PERSON CARE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,675,235	$ 1,675,235	$ 2,877,079	$ 1,201,844
Charges for Services	-	-	1,368,607	1,368,607
Total Revenues	1,675,235	1,675,235	4,245,686	2,570,451
EXPENDITURES				
Current:				
Health and Sanitation	3,934,834	3,934,834	4,504,375	(569,541)
Total Expenditures	3,934,834	3,934,834	4,504,375	(569,541)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,259,599)	(2,259,599)	(258,689)	2,000,910
OTHER FINANCING SOURCES (USES)				
Transfers In	154,030	154,030	981,260	827,230
Transfers Out	(154,030)	(1,445,219)	(1,901,877)	(456,658)
Total Other Financing Sources (Uses)	-	(1,291,189)	(920,617)	370,572
NET CHANGE IN FUND BALANCES	(2,259,599)	(3,550,788)	(1,179,306)	2,371,482
Fund Balances - Beginning of Year	2,047,975	2,047,975	2,047,975	-
FUND BALANCES - END OF YEAR	$ (211,624)	$ (1,502,813)	$ 868,669	$ 2,371,482

COUNTY OF MENDOCINO
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Revenue From Use of Money and Property	$ 3,000	$ 3,000	$ 2,977	$ (23)
EXPENDITURES				
Current:				
Capital Outlay	3,496,600	17,126,806	16,873,585	253,221
Total Expenditures	3,496,600	17,126,806	16,873,585	253,221
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,493,600)	(17,123,806)	(16,870,608)	253,198
OTHER FINANCING SOURCES (USES)				
Transfers In	2,706,600	16,336,806	16,853,897	(517,091)
Total Other Financing Sources (Uses)	2,706,600	16,336,806	16,853,897	(517,091)
NET CHANGE IN FUND BALANCES	(787,000)	(787,000)	(16,711)	(263,893)
Fund Balances - Beginning of Year	1,138,182	1,138,182	1,138,182	-
FUND BALANCES - END OF YEAR	$ 351,182	$ 351,182	$ 1,121,471	$ (263,893)

INTERNAL SERVICE FUNDS

MENDOCINO
1850
COUNTY

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.

- **HEALTH INSURANCE**
  The Mendocino County Employee Self-Insured Health Plan fund is managed and administered by the County's Human Resources Department. This fund supports the County's medical and prescription drug plans. Dental and Vision plans are separately insured through Delta Dental and Vision Service Plan. The Employee Self-Insurance Health Plan fund also supports:

  - an Employee Assistance Program (EAP) –
    EAP services are provided by a vendor who offers counseling and referral services with the goal to provide assistance to employees for work related or personal issues that may impact job performance;
  - the Mendocino County Working on Wellness (MCWOW) Program –
    The MCWOW program provides opportunities for wellness for all employees and their insured family members through access to health promotion, education, assessments, activities and support, with a goal to help participants take responsibility for healthy lifestyle behaviors and choices leading toward high level wellness and reduced health care costs;
  - life, death and dismemberment coverage;
  - a Section 125 Plan (tax-deferred, flexible spending cafeteria plan); and
  - AirMed-Care air ambulance service memberships.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2021

ASSETS	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CURRENT ASSETS				
Pooled Cash and Investments in County Treasury	$ 4,527,512	$ 66,636	$ 692,890	$ 1,438,744
Other Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Total Current Assets	4,527,512	66,636	692,890	1,438,744
NONCURRENT ASSETS				
Capital Assets:				
Depreciable, Net	2,434,789	74,141	-	-
Total Noncurrent Assets	2,434,789	74,141	-	-
Total Assets	6,962,301	140,777	692,890	1,438,744
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	65,950	-	-	74,937
Accrued Salaries and Benefits	-	-	-	5,930
Due to Other Funds	-	-	-	-
Compensated Absences Payable	-	-	-	18,992
Liability for Unpaid Claims	-	-	789,722	1,073,771
Total Current Liabilities	65,950	-	789,722	1,173,630
Total Liabilities	65,950	-	789,722	1,173,630
NET POSITION				
Net Investment in Capital Assets	2,434,789	74,141	-	-
Unrestricted	4,461,562	66,636	(96,832)	265,114
Total Net Position	$ 6,896,351	$ 140,777	$ (96,832)	$ 265,114

COUNTY OF MENDOCINO
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2021

ASSETS	Workers' Compensation	Health Insurance	Total
CURRENT ASSETS			
Pooled Cash and Investments in County Treasury	$ 1,678,202	$ -	$ 8,403,984
Other Cash	-	87,668	87,668
Accounts Receivable	-	12,372	12,372
Total Current Assets	1,678,202	100,040	8,504,024
NONCURRENT ASSETS			
Capital Assets:			
Depreciable, Net	-	-	2,508,930
Total Noncurrent Assets	-	-	2,508,930
Total Assets	1,678,202	100,040	11,012,954
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	241	353,578	494,706
Accrued Salaries and Benefits	5,761	31,184	42,875
Due to Other Funds	-	797,071	797,071
Compensated Absences Payable	-	20,824	39,816
Liability for Unpaid Claims	-	2,571,698	4,435,191
Total Current Liabilities	6,002	3,774,355	5,809,659
Total Liabilities	6,002	3,774,355	5,809,659
NET POSITION			
Net Investment in Capital Assets	-	-	2,508,930
Unrestricted	1,672,200	(3,674,315)	2,694,365
Total Net Position	$ 1,672,200	$ (3,674,315)	$ 5,203,295

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
OPERATING REVENUES				
Charges and Fees	$ 100,167	$ -	$ 200,000	$ 2,352,604
Other Revenues	-	-	95,261	-
Total Operating Revenues	100,167	-	295,261	2,352,604
OPERATING EXPENSES				
Salaries and Benefits	-	-	-	129,975
Services and Supplies	1,293,634	-	861	377,288
Insurance	-	-	-	1,448,682
Depreciation	202,399	125,655	-	-
Claims and Judgments	-	-	400,712	814,227
Total Operating Expenses	1,496,033	125,655	401,573	2,770,172
OPERATING INCOME (LOSS)	(1,395,866)	(125,655)	(106,312)	(417,568)
NONOPERATING REVENUES (EXPENSES)				
Other Revenues	-	-	-	6,968
Interest Revenue (Expense)	(14,037)	(11)	(1,015)	(3,804)
Total Nonoperating Revenues	(14,037)	(11)	(1,015)	3,164
INCOME (LOSS) BEFORE TRANSFERS	(1,409,903)	(125,666)	(107,327)	(414,404)
TRANSFERS IN	2,617,931	-	-	-
TRANSFERS OUT	-	-	-	(266,506)
CHANGE IN NET POSITION	1,208,028	(125,666)	(107,327)	(680,910)
Net Position - Beginning of Year	5,688,323	266,443	10,495	946,024
NET POSITION - END OF YEAR	$ 6,896,351	$ 140,777	$ (96,832)	$ 265,114

COUNTY OF MENDOCINO
COMBINING STATEMENT OF REVENUES, EXPENES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Health Insurance	Total
OPERATING REVENUES			
Charges and Fees	$ 4,983,598	$ 14,663,729	$ 22,300,098
Other Revenues	-	-	95,261
Total Operating Revenues	4,983,598	14,663,729	22,395,359
OPERATING EXPENSES			
Salaries and Benefits	83,977	605,593	819,545
Services and Supplies	20,250	715,162	2,407,195
Insurance	4,261,422	1,410,842	7,120,946
Depreciation	-	-	328,054
Claims and Judgments	-	14,791,594	16,006,533
Total Operating Expenses	4,365,649	17,523,191	26,682,273
OPERATING INCOME (LOSS)	617,949	(2,859,462)	(4,286,914)
NONOPERATING REVENUES (EXPENSES)			
Other Revenues	-	-	6,968
Interest Revenue (Expense)	825	(24,873)	(42,915)
Total Nonoperating Revenues	825	(24,873)	(35,947)
INCOME (LOSS) BEFORE TRANSFERS	618,774	(2,884,335)	(4,322,861)
TRANSFERS IN	-	-	2,617,931
TRANSFERS OUT	(5,820)	(346,084)	(618,410)
CHANGE IN NET POSITION	612,954	(3,230,419)	(2,323,340)
Net Position - Beginning of Year	1,059,246	(443,896)	7,526,635
NET POSITION - END OF YEAR	$ 1,672,200	$ (3,674,315)	$ 5,203,295

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Software Acquisition	Vehicle Replacement	Unemployment Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts From Interfund Services Provided	$ 103,167	$ -	$ 295,261	$ 2,352,604
Cash Paid to Employees for Services	-	-	-	(119,379)
Cash Paid to Suppliers for Goods and Services	(1,894,822)	-	(407,634)	(2,366,222)
Net Cash Provided (Used) by Operating Activities	(1,791,655)	-	(112,373)	(132,997)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Noncapital Other Contributions	-	-	-	6,968
Transfers In	2,617,931	-	-	-
Transfers Out	-	-	-	(266,506)
Net Cash Provided (Used) by Noncapital Financing Activities	2,617,931	-	-	(259,538)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(2,323,678)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,323,678)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	(14,037)	(11)	(1,015)	(3,804)
Net Cash Provided (Used) by Investing Activities	(14,037)	(11)	(1,015)	(3,804)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,511,439)	(11)	(113,388)	(396,339)
Cash and Cash Equivalents - Beginning of Year	6,038,951	66,647	806,278	1,835,083
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,527,512	$ 66,636	$ 692,890	$ 1,438,744
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (1,395,866)	$ (125,655)	$ (106,312)	$ (417,568)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	202,399	125,655	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	3,000	-	-	-
Increase (Decrease) in:				
Accounts Payable	(601,188)	-	-	72,549
Accrued Salaries	-	-	-	1,959
Compensated Absences	-	-	-	8,637
Claims Liability	-	-	(6,061)	201,426
Net Cash Provided (Used) by Operating Activities	$ (1,791,655)	$ -	$ (112,373)	$ (132,997)

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Workers' Compensation	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Interfund Services Provided	$ 4,983,598	$ 15,016,990	$ 22,751,620
Cash Paid to Employees for Services	(91,128)	(607,142)	(817,649)
Cash Paid to Suppliers for Goods and Services	(4,285,083)	(17,194,814)	(26,148,575)
Net Cash Provided (Used) by Operating Activities	607,387	(2,784,966)	(4,214,604)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital Other Contributions	-	-	6,968
Transfers In	-	797,071	3,415,002
Transfers Out	(5,820)	(346,084)	(618,410)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,820)	450,987	2,803,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	(2,323,678)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(2,323,678)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	825	(24,873)	(42,915)
Net Cash Provided (Used) by Investing Activities	825	(24,873)	(42,915)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	602,392	(2,358,852)	(3,777,637)
Cash and Cash Equivalents - Beginning of Year	1,075,810	2,446,520	12,269,289
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,678,202	$ 87,668	$ 8,491,652
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 617,949	$ (2,859,462)	$ (4,286,914)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	328,054
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	353,261	356,261
Increase (Decrease) in:			
Accounts Payable	(3,411)	131,966	(400,084)
Accrued Salaries	1,812	(271)	3,500
Compensated Absences	(8,963)	(1,278)	(1,604)
Claims Liability	-	(409,182)	(213,817)
Net Cash Provided (Used) by Operating Activities	$ 607,387	$ (2,784,966)	$ (4,214,604)

INVESTMENT TRUST FUNDS

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INVESTMENT TRUST FUNDS

Investment trust funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and college districts and other special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County has the following types of investment trust funds:

- **SPECIAL DISTRICTS LOCAL BOARDS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for special districts local boards.

- **SCHOOL DISTRICTS**
  These funds account for the cash and investment funds deposited with the County Treasurer and held in trust for the Counties' schools and college.

COUNTY OF MENDOCINO
COMBINING STATEMENT OF FIDUCIARY NET POSITION – INVESTMENT TRUST FUND
JUNE 30, 2021

	Special Districts Local Boards	School Districts	Total
ASSETS			
Cash and Investments in County Treasury	$ 21,251,272	$ 192,699,694	$ 213,950,966
NET POSITION			
Restricted for Pool Participants	$ 21,251,272	$ 192,699,694	$ 213,950,966

COUNTY OF MENDOCINO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION – INVESTMENT TRUST FUND
YEAR ENDED JUNE 30, 2021

	Special Districts Local Boards	School Districts	Total
ADDITIONS			
Contributions on Pooled Investments	$ 18,872,457	$ 317,952,746	$ 336,825,203
Interest and Investment Income	(35,197)	22,947	(12,250)
Total Additions	18,837,260	317,975,693	336,812,953
DEDUCTIONS			
Distributions from Investment Pool	20,624,272	308,353,502	328,977,774
Total Deductions	20,624,272	308,353,502	328,977,774
CHANGE IN NET POSITION	(1,787,012)	9,622,191	7,835,179
Net Position - Beginning of Year, Restated	23,038,284	183,077,503	206,115,787
NET POSITION - END OF YEAR	$ 21,251,272	$ 192,699,694	$ 213,950,966

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STATISTICAL SECTION

– STATISTICAL SECTION PHOTO –
Russian Gulch State Park, Mendocino, CA; photo by Megan Miltimore

COUNTY OF MENDOCINO
STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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COUNTY OF MENDOCINO
GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

					[2]
	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	$ 74,699	$ 75,464	$ 77,487	$ 83,929	$ 89,588
Restricted	23,253	29,746	30,589	29,584	30,684
Unrestricted	(31,191)	(26,506)	(28,097)	(162,305)	(159,976)
Total Primary Government Net Position	$ 66,761	$ 78,704	$ 79,979	$ (48,792)	$ (39,704)

	[2]	[2]	[2]	[2]	[2]
	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Governmental Activities:					
Net Investment in Capital Assets	$ 94,282	$ 102,445	$ 109,538	$ 109,188	$ 129,961
Restricted	33,815	50,179	70,808	70,808	105,021
Unrestricted	(163,487)	(177,033)	(177,546)	(160,349)	(191,378)
Total Primary Government Net Position	$ (35,390)	$ (24,409)	$ 2,800	$ 19,647	$ 43,604

Notes:

1. Accounting standards require that net position be reported in the three components in the financial statements; net investment in capital assets; restricted; and unrestricted. Net position are considered restricted when (1) externally imposed by creditors (such as debt covenants), grantors, contributor, or law or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

2. Due to the implementation of GASB 68 in FY 2015, the County is now required to recognize net pension liability on the financial statements.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Expenses (by Function)					
Governmental Activities:					
General Government	$ 17,900	$ 12,977	$ 15,163	$ 15,424	$ 17,558
Public Protection	48,624	49,524	52,834	55,033	56,687
Public Ways and Facilities	12,784	13,697	13,130	15,381	12,394
Health and Sanitation	35,317	30,084	35,195	36,322	32,292
Public Assistance	55,459	54,622	58,200	58,778	67,853
Education	1,754	2,115	2,635	2,965	3,540
Recreation and Culture	318	411	454	611	599
Debt Service:					
Interest	6,808	6,148	4,977	4,710	4,484
Total Primary Government Expenses	$ 178,964	$ 169,578	$ 182,588	$ 189,224	$ 195,407

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Expenses (by Function)					
Governmental Activities:					
General Government	$ 19,054	$ 18,343	$ 18,901	$ 22,640	$ 22,851
Public Protection	64,849	69,949	69,229	77,464	84,642
Public Ways and Facilities	14,232	13,277	16,113	22,550	22,350
Health and Sanitation	30,904	49,695	53,071	57,374	70,044
Public Assistance	70,006	72,611	71,373	77,122	80,230
Education	3,685	3,812	4,092	4,174	3,937
Recreation and Culture	536	461	524	554	617
Debt Service:					
Interest	4,252	4,087	3,870	3,405	2,923
Total Primary Government Expenses	$ 207,518	$ 232,235	$ 237,173	$ 265,284	$ 287,593

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,475	$ 2,947	$ 2,911	$ 2,846	$ 3,220
Public Protection	8,752	8,105	9,954	9,306	9,987
Public Ways and Facilities	329	303	268	234	247
Health and Sanitation	4,106	4,130	3,218	3,692	4,114
Public Assistance	281	100	142	274	219
Education	36	49	49	62	50
Recreation and Culture	-	-	-	-	-
Operating Grants and Contributions	93,886	101,039	102,164	105,656	110,986
Capital Grants and Contributions	2,666	3,484	4,431	6,410	6,391
Total Primary Government Program Revenues	113,531	120,157	123,137	128,480	135,214
Total Primary Net Expense	$ (65,433)	$ (49,421)	$ (59,451)	$ 123,770	$ (60,193)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Program Revenue (by Function)					
Governmental Activities:					
General Government	$ 3,731	$ 4,403	$ 9,111	$ 3,639	$ 4,024
Public Protection	11,091	9,626	9,602	10,321	9,045
Public Ways and Facilities	263	325	955	346	482
Health and Sanitation	3,843	5,944	10,696	6,396	7,934
Public Assistance	444	539	523	400	620
Education	57	-	58	29	787
Recreation and Culture	-	-	10	17	10
Operating Grants and Contributions	115,677	130,234	135,467	145,481	177,464
Capital Grants and Contributions	4,974	3,756	6,468	3,191	3,405
Total Primary Government Program Revenues	140,080	154,827	172,890	169,821	203,771
Total Primary Net Expense	$ (67,438)	$ (77,408)	$ (64,282)	$ (95,463)	$ (83,821)

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 40,622	$ 41,490	$ 41,090	$ 43,773	$ 46,801
Sales and Use Taxes	10,723	12,752	13,396	14,687	14,507
Transient Occupancy Tax	3,556	3,618	3,856	4,491	4,945
Other	287	334	388	426	429
Unrestricted Interest and Investment Earning	1,026	780	375	274	431
Gain on Sale of Assets	-	-	155	-	-
Settlement Revenue	-	-	-	-	-
Miscellaneous	2,428	1,939	1,467	4,258	2,168
Total Primary Government	58,642	60,913	60,727	67,909	69,281
Change in Net Position					
Total Primary Government	$ (6,791)	$ 11,492	$ 1,276	$ 67,909	$ 9,088

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$ 48,171	$ 50,490	$ 51,843	$ 51,500	$ 55,715
Sales and Use Taxes	14,912	17,480	25,084	24,743	31,030
Transient Occupancy Tax	5,152	5,682	5,872	4,785	7,961
Other	504	2,025	4,660	6,227	6,727
Unrestricted Interest and Investment Earning	719	1,396	1,683	3,141	549
Gain on Sale of Assets	-	-	-	-	-
Settlement Revenue	-	-	-	22,652	-
Miscellaneous	2,294	2,638	2,347	2,136	2,375
Total Primary Government	71,752	79,711	91,490	115,183	104,357
Change in Net Position					
Total Primary Government	$ 4,314	$ 2,303	$ 27,208	$ 19,721	$ 20,535

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,				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	$ 102	$ 77	$ 91	$ 115	$ 133
Restricted	-	-	-	-	-
Assigned	221	-	15,572	19,403	24,390
Unassigned	12,147	18,682	11,693	15,330	12,938
Total General Fund	$ 12,470	$ 18,759	$ 27,356	$ 34,848	$ 37,461
All Other Governmental Funds					
Nonspendable	$ 597	$ 589	$ 651	$ 692	$ 666
Restricted	16,815	20,776	25,281	24,060	24,094
Assigned	-	-	-	-	407
Unassigned	(9)	(10)	(9)	(10)	-
Total All Other Governmental Funds	17,403	21,355	25,923	24,742	25,167
Total Governmental Funds Balances	$ 29,873	$ 40,114	$ 53,279	$ 59,590	$ 62,628

	June 30,				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	$ 115	$ 139	$ 177	$ 230	$ 263
Restricted	-	7,071	8,330	9,074	8,714
Assigned	27,541	29,626	25,887	25,542	50,404
Unassigned	8,931	6,936	12,336	35,503	21,605
Total General Fund	$ 36,587	$ 43,772	$ 46,730	$ 70,349	$ 80,987
All Other Governmental Funds					
Nonspendable	$ 525	$ 589	$ 534	$ 571	$ 1,208
Restricted	33,357	31,286	46,947	57,594	65,322
Assigned	997	587	771	1,138	1,121
Unassigned	(1)	-	(22)	(1,536)	-
Total All Other Governmental Funds	34,878	32,462	48,230	57,767	67,652
Total Governmental Funds Balances	$ 71,465	$ 76,234	$ 94,960	$ 128,117	$ 148,639

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenues					
Taxes	$ 55,960	$ 58,193	$ 58,730	$ 63,378	$ 66,682
Licenses, Permits, and Franchises	2,723	2,799	2,913	2,925	2,812
Intergovernmental	97,596	101,447	109,770	112,479	115,851
Revenue from Use of Money and Property	771	735	338	247	387
Fines, Forfeitures, and Penalties	2,345	1,738	3,019	1,856	1,940
Charges for Services	11,985	10,873	10,676	11,621	12,995
Other Revenues	2,428	1,939	1,623	4,258	2,168
Total Revenues	$ 173,808	$ 177,724	$ 187,069	$ 196,764	$ 202,835
Expenditures					
Current:					
General Government	$ 13,371	$ 12,786	$ 13,624	$ 13,854	$ 15,524
Public Protection	42,969	44,681	47,135	50,825	55,365
Public Ways and Facilities	9,661	12,999	14,118	20,052	17,025
Health and Sanitation	28,999	29,080	28,563	32,915	32,859
Public Assistance	52,835	52,733	56,487	57,052	63,626
Education	1,562	1,997	2,459	2,765	2,998
Recreation and Culture	295	386	421	521	551
Debt Service:					
Principal	5,269	5,422	4,765	4,986	5,214
Interest	7,453	5,686	5,073	4,821	4,602
Capital Outlay	6,229	1,045	1,018	2,234	1,029
Total Expenditures:	168,643	166,815	173,663	190,025	198,793
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ 5,165	$ 10,909	$ 13,406	$ 6,739	$ 4,042
Other Financing Sources (Uses)					
Transfers In	$ 14,886	$ 15,699	$ 16,454	$ 16,190	$ 17,305
Transfers Out	(15,113)	(15,896)	(16,696)	(16,618)	(18,310)
Issuance of Refunding Debt	25,810	-	-	-	-
Payment to Refunded Bond Escrow Agent	(24,130)	-	-	-	-
Total Other Financing Sources (Uses)	$ 1,453	$ (197)	$ (242)	$ (428)	$ (1,005)
Extraordinary Item					
RDA Dissolution	$ (1,405)	$ -	$ -	$ -	$ -
Net Changes in Fund Balances	$ 5,213	$ 10,712	$ 13,164	$ 6,311	$ 3,037
Debt Service as a Percentage of Noncapital Expenditures	7.83%	6.70%	5.70%	5.22%	4.96%

Note: Debt Service as a Percentage of Noncapital Expenditures was determined as follows:
(Principal and Interest) divided by (Total Expenditures less Expenditures for General Capital Assets, Infrastructure and Other Related Capital Assets Adjustments)

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(IN THOUSANDS OF DOLLARS)

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues					
Taxes	$ 68,739	$ 75,677	$ 87,460	$ 87,255	$ 101,433
Licenses, Permits, and Franchises	3,377	4,361	4,963	5,270	5,477
Intergovernmental	124,372	126,097	141,152	153,219	173,640
Revenue from Use of Money and Property	622	1,218	1,505	2,824	592
Fines, Forfeitures, and Penalties	1,619	1,475	1,517	1,413	978
Charges for Services	14,629	15,138	19,408	14,366	16,428
Other Revenues	1,849	2,071	2,347	24,788	2,375
Total Revenues	$ 215,207	$ 226,037	$ 258,353	$ 289,135	$ 300,924
Expenditures					
Current:					
General Government	$ 15,554	$ 15,732	$ 16,793	$ 17,206	$ 19,034
Public Protection	56,020	62,481	64,257	68,314	75,440
Public Ways and Facilities	14,978	15,349	20,239	20,826	21,857
Health and Sanitation	36,814	48,410	52,052	55,034	67,956
Public Assistance	65,624	68,936	68,425	71,621	74,985
Education	3,409	3,523	3,965	3,753	3,549
Recreation and Culture	462	405	468	470	541
Debt Service:					
Principal	5,470	5,745	6,035	6,345	6,670
Interest	4,376	4,218	4,008	3,626	3,081
Capital Outlay	3,706	5,297	2,848	4,866	20,097
Total Expenditures	206,413	230,096	239,092	252,062	293,210
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ 8,794	$ (4,059)	$ 19,262	$ 37,073	$ 7,714
Other Financing Sources (Uses)					
Transfers In	$ 21,279	$ 20,186	$ 19,050	$ 21,272	$ 54,432
Transfers Out	(21,235)	(20,036)	(19,585)	(25,188)	(56,432)
Issuance of Refunding Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	$ 44	$ 150	$ (535)	$ (3,916)	$ (2,000)
Extraordinary Item					
RDA Dissolution	$ -	$ -	$ -	$ -	$ -
Net Changes in Fund Balances	$ 8,838	$ (3,909)	$ 18,726	$ 33,156	$ 5,714
Debt Service as a Percentage of Noncapital Expenditures	4.86%	4.43%	4.25%	4.03%	3.64%

COUNTY OF MENDOCINO
ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured Roll	Unsecured Roll	Exemptions	Net Assessed Valuations	Total Direct Tax Rate
2012	$ 9,872,631	$ 371,954	$ (270,752)	$ 9,973,833	1.00 %
2013	9,820,376	371,189	(281,736)	9,909,829	1.00
2014	9,976,381	358,517	(299,898)	10,035,000	1.00
2015	10,206,167	367,186	(341,186)	10,232,167	1.00
2016	10,548,988	365,106	(367,170)	10,546,924	1.00
2017	10,948,983	376,939	(386,910)	10,939,012	1.00
2018	11,412,322	365,378	(406,068)	11,371,632	1.00
2019	11,863,702	384,724	(418,358)	11,830,068	1.00
2020	12,251,471	391,328	(435,039)	12,207,760	1.00
2021	12,792,627	377,022	(533,417)	12,636,232	1.00

Notes:

1. Secured property is generally the real property, which is defined as land, mineral, timber and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the country and are 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 XIIIA, 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 limites the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PROPERTY TAX RATE – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Basic Countywide Levy	Unitary Debt Service	Schools	Junior College	Special Districts	Incorporated Cities	Total
2012	1.0000 %	0.2300 %	0.5110 %	0.0560 %	0.0390 %	0.0060 %	1.8420 %
2013	1.0000	0.2330	0.6110	0.0560	0.0400	-	1.9400
2014	1.0000	0.2590	0.6040	0.0540	0.0280	-	1.9450
2015	1.0000	0.2600	0.6520	0.0540	0.0280	-	1.9940
2016	1.0000	0.2620	0.6040	0.0500	0.0320	-	1.9480
2017	1.0000	0.2700	0.8700	0.0700	0.0100	-	2.2200
2018	1.0000	0.2990	0.7770	0.0690	0.0150	-	2.1600
2019	1.0000	0.3130	0.7910	0.0680	0.0130	-	2.1850
2020	1.0000	0.3240	0.8370	0.0700	0.0130	-	2.2440
2021	1.0000	0.3460	0.8410	0.0700	0.0130	-	2.2700

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PRINCIPAL PROPERTY TAXPAYERS
MOST RECENT YEAR AND NINE YEARS AGO
(IN THOUSANDS OF DOLLARS)

Fiscal Year Ended June 30, 2021	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	$3,648,483	2.35 %
Mendocino Forest Products, Inc.	Mfg./Sawmill	898,778	0.58
VCT USA, Inc. (Fetzer)	Vineyard/Winery	714,401	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	514,638	0.33
Waterfowl Wine Company	Vineyard/Winery	403,180	0.26
Vintage Wine Estates, Inc.	Vineyard/Winery	390,271	0.25
Costco Wholesale Corporation	Retail Sales	279,742	0.18
Lyme Redwood Timberlands LLC	Timberland	249,682	0.16
Pear Tree REH LLC	Shopping Center	236,119	0.15
Pacific Bell Telephone Co.	Communicatons	221,188	0.14
Total Principal Property Taxpayers		7,556,482	4.88 %
All Other Taxes Levied		147,401,921	95.12
TOTAL		$ 154,958,403	100.00 %

Fiscal Year Ended June 30, 2012	Business Description	Taxes Levied	Percent Total Levied
Pacific Gas & Electric Co.	Utility	$ 2,030,377	1.77 %
Fetzer Vineyards	Vineyard/Winery	942,377	0.82
Mendocino Forest Products, Inc.	Mfg./Sawmill	526,538	0.46
Mendocino Redwood Co., LLC	Mfg./Sawmill	458,271	0.40
Pacific Bell Telephone Co.	Communication	424,416	0.37
Georgia Pacific Corp.	Industrial Site	351,783	0.31
Heritage Wine, LLC	Vineyard/Winery	257,146	0.22
Hawthorne Timber Co.	Timberland	231,766	0.20
Pear Orchard Associates	Shopping Center	199,173	0.17
Safeway, Inc.	Grocery	171,091	0.15
Total Principal Property Taxpayers		5,592,939	4.88 %
All Other Taxes Levied		109,058,112	95.12
TOTAL		$ 114,651,051	100.00 %

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured, Unitary & Unsecured Tax Levies	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [3]	Delinquent Amount	Percent of Levy Delinquent
		Collected Amount	Percent of Original Levy			
2012	$ 100,229	$ 96,589	96.37 %	*nda*	$ 3,640	3.63 %
2013	99,945	96,699	96.75	*nda*	3,246	3.25
2014	101,867	98,876	97.06	*nda*	2,991	2.94
2015	103,757	100,788	97.14	*nda*	2,969	2.86
2016	107,494	104,617	97.32	*nda*	2,877	2.68
2017	111,699	108,468	97.11	*nda*	3,231	2.89
2018	116,240	112,818	97.06	*nda*	3,422	2.94
2019	121,182	117,506	96.97	*nda*	3,677	3.03
2020	125,471	121,262	96.65	*nda*	4,209	3.35
2021	147,503	142,617	96.69	*nda*	4,885	3.31

Notes:

1. Includes Secured, Unsecured, and Unitary Taxes levied for the county itself, school districts, cities, and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.
2. Does not include bond tax or direct tax levies.
3. No data available (*nda*). Collections in Subsequent Years are not available from the County's current property tax system.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Type of Business	Fiscal Year Ended June 30, 2012	2013	2014	2015	2016
Motor Vehicle & Parts Dealers	$ 115,334	$ 125,117	$ 136,193	$ 149,385	$ 170,993
Home Furnishings & Appliance Stores	24,828	26,922	29,000	29,602	30,461
Building/Garden Material & Equipment	130,832	138,031	142,562	151,499	169,373
Food and Beverage Stores	107,362	109,465	107,522	109,872	113,917
Gasoline Stations	198,884	209,704	211,714	196,341	167,570
Clothing & Clothing Accessories Stores	29,056	31,652	33,875	36,104	38,214
General Merchandise Stores	81,063	81,096	80,647	82,826	87,482
Food Services and Drinking Places	102,203	108,296	116,533	127,399	139,064
Other Retail	116,692	123,091	128,269	132,419	139,921
Total Retail & Food Services	906,255	953,373	986,313	1,015,446	1,056,995
All Other Outlets	281,559	307,093	332,657	340,664	346,703
Totals	$ 1,187,814	$ 1,260,466	$ 1,318,970	$ 1,356,109	$ 1,403,698

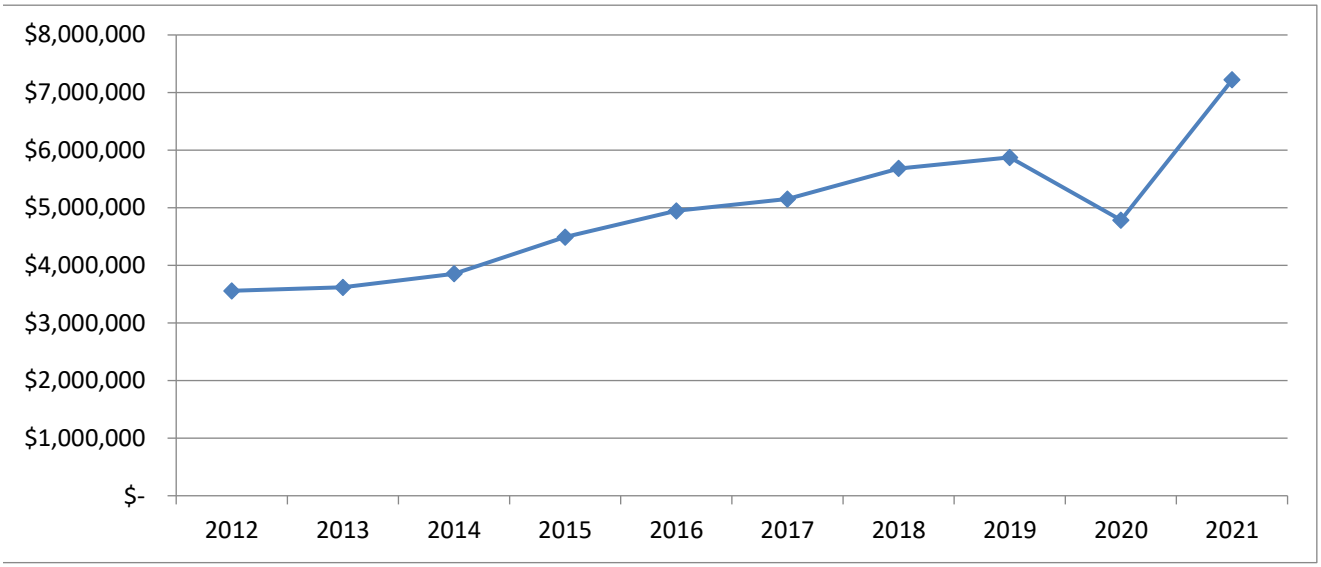
Type of Business	Fiscal Year Ended June 30, 2017	2018	2019	2020	2021
Motor Vehicle & Parts Dealers	$ 181,773	$ 183,042	$ 180,355	$ 206,502	$ 245,473
Home Furnishings & Appliance Stores	27,913	27,654	26,134	26,901	35,418
Building/Garden Material & Equipment	176,471	168,996	174,335	208,847	254,826
Food and Beverage Stores	115,181	119,226	112,069	117,617	134,755
Gasoline Stations	169,709	202,565	203,166	182,512	209,082
Clothing & Clothing Accessories Stores	39,382	38,742	40,859	36,727	49,211
General Merchandise Stores	86,588	87,186	145,673	159,642	179,132
Food Services and Drinking Places	144,571	143,818	145,768	125,873	138,571
Other Retail	146,801	148,291	161,435	205,460	281,913
Total Retail & Food Services	1,088,387	1,119,521	1,189,794	1,270,080	1,528,382
All Other Outlets	348,929	347,423	336,996	355,165	457,692
Totals	$ 1,437,317	$ 1,466,943	$ 1,526,790	$ 1,625,245	$ 1,986,074

Note: Values are shown on a fiscal year basis (quarters 3 & 4 of prior year, plus quarters 1 & 2 of current year). Data for fiscal years 2016-present is from CDTFA (California Department of Tax and Fee Administration), using published quarterly values. Data for fiscal years 2012-2015 is from State Board of Equalization, based on an average of the two calendar years included in the fiscal year period.

Source: California Department of Tax and Fee Administration; State Board of Equalization

COUNTY OF MENDOCINO
TRANSIENT OCCUPANCY TAX – ACTUAL RECEIPTS
LAST TEN FISCAL YEARS

Fiscal Year		Annual Revenue	Growth Rate
2012	$	3,556,307	7.98 %
2013		3,617,553	1.72
2014		3,855,504	6.58
2015		4,491,130	16.49
2016		4,944,101	10.09
2017		5,152,109	4.21
2018		5,682,028	10.29
2019		5,872,388	3.35
2020		4,784,925	(18.52)
2021		7,219,977	50.89



Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities: Certificates of Participation	Governmental Activities: Pension Obligation Bonds	Governmental Activities: Capital Leases	Governmental Activities: Long-Term Loans	Total Governmental Activities [1]	Per Capita [2]	Percentage of Personal Debt Limit [2]
2012	$ 24,505	$ 79,575	$ -	$ 936	$ 105,016	$ 1,207	3.10 %
2013	23,530	76,000	-	65	99,595	1,145	2.87
2014	22,545	72,245	-	39	94,829	1,090	2.58
2015	21,525	68,305	-	13	89,843	1,033	2.33
2016	20,480	64,150	-	-	84,630	962	2.13
2017	19,395	59,765	-	-	79,160	900	1.89
2018	18,280	55,135	-	-	73,415	829	1.67
2019	17,130	50,250	-	-	67,380	777	1.53
2020	15,940	45,095	-	-	61,035	709	1.29
2021	14,710	39,655	-	-	54,365	632	1.15

Notes:

1. Shows all debt shown for governmental activities.
2. See the "Demographics and Economic Statistics" schedule for population figures. Prior year figures have been updated with 2020 demographics, published in November of 2021.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Total Assessed Valuation	Legal Debt Limit [1]	Total Net Debt Applicable to Exemptions [2]	Legal Debt Margin [3]	Legal Debt Margin/ Debt Limit
2012	$ 9,973,833	$ 124,673	$ -	$ 124,673	100 %
2013	9,909,829	123,873	-	123,873	100
2014	10,035,000	125,438	-	125,438	100
2015	10,232,167	127,902	-	127,902	100
2016	10,546,924	131,837	-	131,837	100
2017	10,939,012	136,738	-	136,738	100
2018	11,371,632	142,145	-	142,145	100
2019	11,830,068	147,876	-	147,876	100
2020	12,207,760	152,597	-	152,597	100
2021	12,636,232	157,953	-	157,953	100

Notes:

1. The legal debt limit is set by statute at 1.25% of the total assessed valuation.
2. The County does not have any General Bonded Debt.
3. The legal debt margin is the legal debt limit reduced by all general bonded debt.

Source: Mendocino County Property Tax Records

COUNTY OF MENDOCINO
ASSESSED VALUATION
JUNE 30, 2021

2020-21 Assessed Valuation (Includes Unitary Utility Valuation) $ 12,636,231,964

DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT	Total Debt at June 30, 2021	Percentage Applicable	County's Share of Debt at June 30, 2021
Mendocino County Certificates of Participation	$ 14,710,000	100.000	$ 14,710,000
Mendocino County Pension Obligation Bonds	39,655,000	100.000	39,655,000
TOTAL DIRECT and OVERLAPPING GENERAL GOVERNMENT DEBT			54,365,000
DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			
Anderson Valley Unified School District	6,370,801	100.000	6,370,801
Arena Union School District	1,159,062	100.000	1,159,062
Fort Bragg Unified School District	37,324,101	100.000	37,324,101
Laytonville Unified School District	7,565,000	100.000	7,565,000
Mendocino Coast Hospital District	4,130,746	100.000	4,130,746
Mendocino Lake Community College District	82,095,656	66.920	54,938,413
Mendocino Unified School District	26,729,522	100.000	26,729,522
Point Arena Joint Union High School District	-	59.350	-
Potter Valley Unified School District	2,735,000	100.000	2,735,000
Redwoods Joint Community College District	23,865,000	13.660	3,259,959
Round Valley Unified School District	8,250,423	100.000	8,250,423
Sonoma County Joint Community College District 2002	131,280,000	1.120	1,470,336
Sonoma County Joint Community College District 2014	224,925,000	1.120	2,519,160
Southern Humboldt Unified School District	20,957,855	2.160	452,690
Ukiah Unified School District	64,841,421	100.000	64,841,421
Willits Unified School District	14,837,054	100.000	14,837,054
TOTAL DIRECT and OVERLAPPING TAX and ASSESSMENT DEBT			236,583,688
TOTAL DIRECT DEBT			54,365,000
TOTAL OVERLAPPING DEBT			236,583,688
COMBINED TOTAL DEBT			$ 290,948,688

RATIOS of 2020-21 ASSESSED VALUATIONS

Total Direct Debt ($54,365,000)	0.430%
Total Overlapping Tax and Assessment Debt	1.872%
Total Combined Debt	2.302%

Notes:

1. Percentage of overlapping debt applicable to county is determined using taxable assessed property value. Applicable percentages were determined by the portion of the overlapping district's assessed value that is within the boundaries of the county, divided by the district's total taxable assessed value.
2. Excluedes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: Mendocino County Auditor-Controller

COUNTY OF MENDOCINO
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS

Fiscal Year	Population [1]	Per Capita Income [1]	Total Personal Income (000's) [1]	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2011	87,442	$ 38,493	$ 3,365,946	41.4	12,992	11.4 %
2012	87,409	38,737	3,385,984	41.7	13,049	10.0
2013	87,207	39,814	3,472,065	41.8	13,100	8.3
2014	87,449	42,051	3,677,284	42.0	13,148	7.0
2015	87,353	44,161	3,857,573	42.2	13,009	5.8
2016	87,628	45,436	3,981,438	42.3	13,210	5.3
2017	88,018	47,646	4,193,701	42.7	13,174	4.5
2018	87,606	50,150	4,393,445	42.4	13,203	3.9
2019	86,749	52,976	4,595,625	42.8	13,131	4.0
2020	86,061	54,795	4,715,675	43.1	13,245	8.9
2021	-	-	-	-	12,881	-

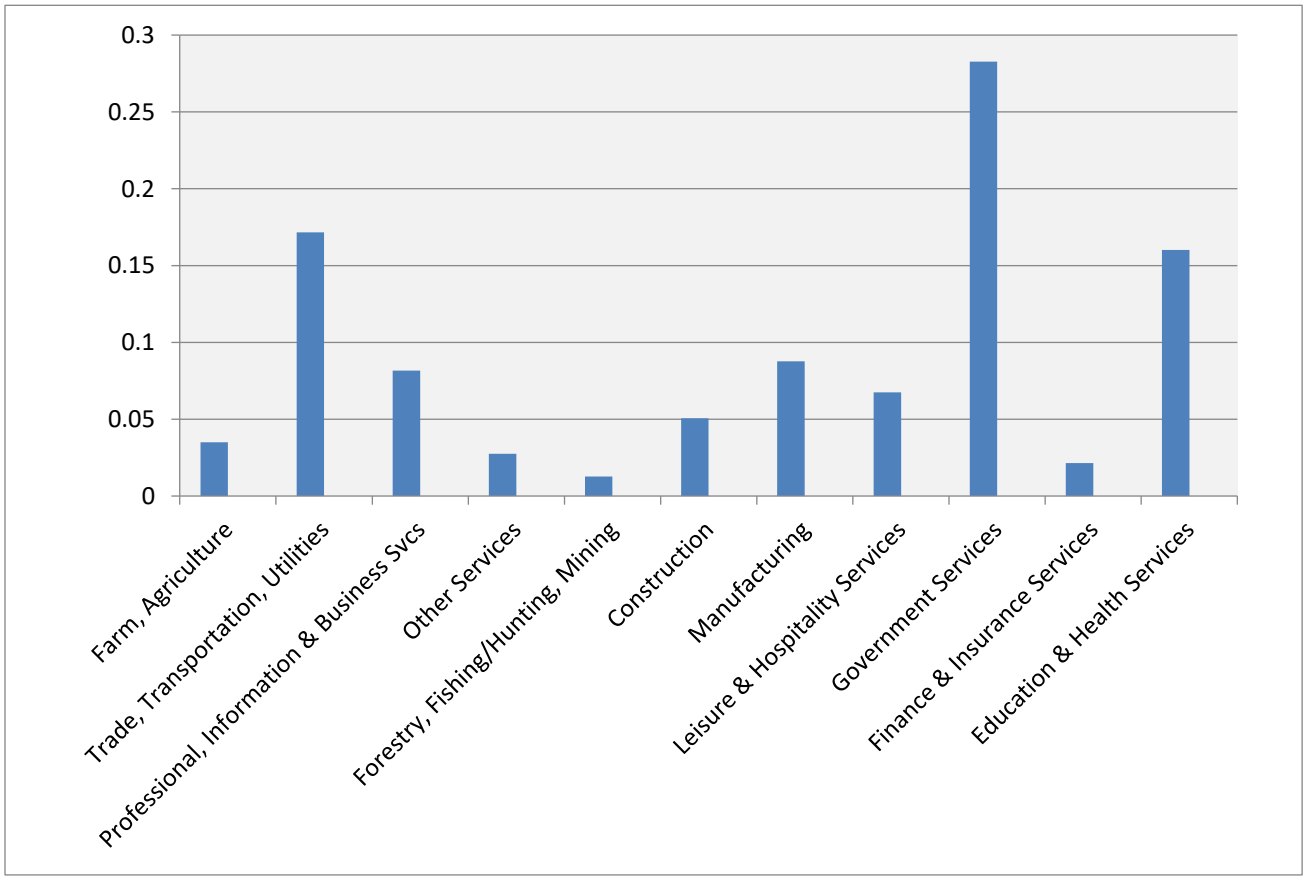
Note: Current Calendar Year data not yet available.

Source:

1. Bureau of Economic Analysis, 2020 data published November 16, 2021.
2. California Employment Development Department; Labor Market Info Division; 2015-19 5-yr survey.
3. California Department of Education, Demographics, Dataquest, County, Enrollment Data, FY 2020-21.
4. California Employment Development Department, Labor Market Info Division; Report 400 C, Monthly Labor Force Data for Counties, Annual Average 2020 (March 12, 2021 March 2020 Benchmark)

COUNTY OF MENDOCINO
INDUSTRY EMPLOYMENT DISTRIBUTION
MOST RECENT YEAR

Industry Employment Distribution	Compensation	Percent
Farm, Agriculture	$ 69,081	3.5 %
Trade, Transportation, Utilities	358,181	18.3
Professional, Information & Business Svcs	175,655	9.0
Other Services	55,886	2.9
Forestry, Fishing/Hunting, Mining	26,659	1.4
Construction	101,360	5.2
Manufacturing	179,225	9.1
Leisure & Hospitality Services	101,529	5.2
Government Services	534,271	27.3
Finance & Insurance Services	42,210	2.2
Education & Health Services	316,394	16.1
	$ 1,960,451	100.0 %



Source: Bureau of Econoic Analysis, 2020 data published November 16, 2021.

COUNTY OF MENDOCINO
PRINCIPAL EMPLOYERS
MOST RECENT YEAR AND NINE YEARS AGO

2021 Principal Employers	Location	Industry
Adventist Health Howard Meml	Willits	Hospitals
Adventist Health Mendocino Cst	Fort Bragg	Hospitals
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
California Department-Forestry	Willits	Fire Departments
Costco Wholesale	Ukiah	Wholesale Clubs
Coyote Valley Casino	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Wineries (mfrs)
Mendocino Community Health	Ukiah	Clinics
Mendocino County	Ukiah, Fort Bragg, Willits	Government Offices-County
Mendocino Co. Office of Educatioin	Ukiah	Boards of Education
Mendocino Redwood Co LLC	Calpella	Restaurants
Metalfx Inc	Willits	Sheet Metal Fabricators (mfrs)
Pacific Coast Farm Credit	Ukiah	Loans-Agricultural
Pacific Medical Resources	Fort Bragg	Nursing Services
Safeway	Fort Bragg	Grocers-Retail
Sawmill	Ukiah	Sawmills & Planing Mills-General (mfrs)
Ukiah City Civic Ctr	Ukiah	Government Offices-City/Village & Twp
Ukiah High School	Ukiah	Schools
Ukiah Valley Medical Ctr	Ukiah	Hospitals
Walmart	Ukiah	Department Stores

2012 Principal Employers	Location	Industry
Adventist Health Ukiah Valley	Ukiah	Outpatient Services
City of Ukiah	Ukiah	City Services
County of Mendocino	Ukiah	County Services
Coyote Valley Tribe of Pomo Indians	Redwood Valley	Casinos
Fetzer Vineyards	Hopland	Vineyard/Winery
Hopland Band of Pomo Indians	Hopland	Casinos
Mendocino Coast Auxilary Hospital	Fort Bragg	Hospitals
Mendocino Coast Health Care	Fort Bragg	Outpatient Services
Mendocino Lake Community College	Ukiah	Education
Safeway	Ukiah	Grocery
Ukiah Unified School District	Ukiah	Education
Wal-Mart Stores, Inc.	Ukiah	Retail
Willits Hospital	Willits	Hospitals

Notes:

1. Major Employers, per California Employment Development Dept (EDD), Labor Market Information (LMI) data, LMI by Subject, Industries, Major Employers in each California County, Mendocino (edited). Per EDD webpage reference, the list was extracted from ALMIS Employer Database, 2022 2nd Edition.

COUNTY OF MENDOCINO
COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL										
General Government	144.60	140.60	143.10	132.50	134.50	135.50	144.50	145.50	148.50	148.50
Public Protection	434.80	435.80	439.80	440.80	449.80	454.80	462.80	465.80	465.30	464.00
Public Ways & Facilities	130.10	127.10	127.10	126.60	125.60	124.60	127.60	127.60	126.60	126.60
Health and Sanitation	288.90	264.90	251.10	222.20	213.20	208.20	195.80	191.80	193.80	194.05
Public Assistance	439.00	423.00	426.00	423.00	420.00	420.00	421.00	426.00	427.00	426.00
Recreation & Education	29.30	35.55	38.55	40.05	40.05	40.05	44.05	41.05	41.05	44.50
Total Governmental	1,466.70	1,426.95	1,425.65	1,385.15	1,383.15	1,383.15	1,395.75	1,397.75	1,402.25	1,403.65
SPECIAL DISTRICTS										
Water Resource Agency	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Air Quality Mgmt District	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Total Special Districts	10.00	10.00	10.00	10.00	11.00	11.00	11.00	9.00	9.00	9.00
TOTAL All Positions	1,476.70	1,436.95	1,435.65	1,395.15	1,394.15	1,394.15	1,406.75	1,406.75	1,411.25	1,412.65

Note: Positions shown are approved budget, full-time equivalent positions

Source: Mendocino County Adopted Budget Book, Position Allocations

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT										
Assessor (BU 1120)										
Deeds Processed	3,629	4,143	3,799	4,074	4,089	4,124	4,046	3,781	3,726	3,973
Appraisals Completed	*nda*	14,319	13,183	12,580	13,611	13,630	13,023	12,449	7,977	12,212
Elections (BU 1410)										
Registration Cards Processed	5,773	7,921	5,012	5,295	17,575	11,078	8,689	22,195	28,249	27,561
Recorder - County Clerk (BU 1941)										
Real Estate & Vital Records Processed	27,572	27,410	28,037	26,176	23,808	24,317	22,184	25,331	24,103	26,623
Marriage Licenses Issued	486	513	593	507	588	548	489	554	404	260
Fictitious Business Names Filed	859	831	862	893	903	912	806	894	651	676
PUBLIC PROTECTION										
Adult Corrections (BU 2510)										
Prisoners Booked	5,661	5,765	5,597	5,056	4,989	4,007	7,505	4,831	3,728	3,672
Average Daily Population	253	266	292	301	305	304	303	286	258	239
Child Support Services (BU 2090)										
AVG Number of Open Cases/Month	4,918	4,615	4,421	4,200	4,003	3,882	3,838	3,799	3,474	3,205
TOTAL Collections	$6.18M	$6.25M	$5.86M	$5.78M	$5.63M	$5.54M	$5.64M	$5.73M	$5.66M	$6.45M
Cases with Support Order	91%	93%	94%	94%	94%	94%	93%	93%	93%	94%
Collections w/Mnthly Supp Obligation	61%	66%	67%	68%	68%	68%	67%	68%	69%	69%
Cases w/Collections on Past Due	61%	65%	65%	66%	67%	69%	68%	69%	74%	73%
District Attorney (BU 2070)										
Sentences to State Prison	117	130	97	148	141	151	128	124	114	81
Realignment County Prison [1]	44	65	72	95	99	77	64	43	48	32
Planning and Building (BU 2851)										
Planning Applications	481	541	644	765	833	1,448	415	522	661	632
Building and Grading Permits	1,545	1,806	1,772	1,880	2,020	2,376	2,260	2,938	3,960	4,264
Building Inspections	6,571	8,086	7,282	6,292	5,633	6,389	7,030	9,857	8,757	9,699
Probation (BU 2560) [3]										
Adult Reports	*nda*	374	475	571	613	568	524	536	445	cal yr
Juvenile Reports	*nda*	367	280	229	196	127	184	195	142	cal yr
Juvenile Hall Bookings	504	403	267	296	273	303	311	201	119	cal yr
Juvenile Hall AVG Daily Population [2]	24	21	11	14	22	20	16	13	8	cal yr

Notes:

1. Prison commitments served in County jail due to realignment statues, effective October 1, 2011.
2. 2015-2017 includes juveniles housed as part of a contract with Lake County.
3. 2020 was significantly impacted by COVID. Due to the continuation of the pandemic, it will likely impact the following year as well.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC PROTECTION (CONTINUED)										
Public Defender (BU 2080)										
New Cases	4,171	5,401	5,461	4,941	4,417	5,060	5,391	5,819	5,546	4,637
Sheriff (BU 2310)										
Number of Arrests	2,236	2,447	2,259	2,011	2,255	2,157	2,412	1,931	2,114	1,377
Cororner Case Load	309	301	344	323	327	359	259	341	299	482
Call for Service	33,666	38,378	40,023	38,776	45,028	64,204	64,925	70,605	38,382	60,367
Animal Control (BU 2310)										
Citations	*nda*	57	82	23	11	21	61	18	8	10
Animal Complaint Cases	*nda*	311	325	308	281	316	292	153	267	231
Calls for Service	3,124	2,628	3,092	2,902	2,815	3,445	3,319	3,989	3,441	2,209
Bite-related Calls for Service	*nda*	177	162	208	188	189	189	175	187	142
PUBLIC WAYS AND FACILITIES										
Public Works (BU 3010)										
Road Miles Maintained	1,014	1,014	1,014	1,015	1,015	1,016	1,017	1,017	1,017	cal yr
Bridges Maintained	152	152	156	157	157	157	157	157	157	157
Miles of Asphalt Overlay	0	3	0	4	14	14	0	0	0	-
Miles of Chip Seal Completed	0	8	52	9	11	0	8	8	16	22
Encroachment Permits Issued	140	136	120	134	148	133	152	162	145	cal yr
Transportation Permits Issued	189	214	200	269	219	207	255	298	236	cal yr
HEALTH AND SANITATION										
Alcohol and Drug Programs (BU 4012)										
Clients that Completed Treatment	616	297	221	262	241	240	226	168	110	78
Animal Care (BU 2860)										
Adoptions, Cat	163	184	238	390	390	364	355	312	315	264
Adoptions, Dog	632	560	518	472	477	454	401	385	345	238
Spays and Neuters	2,063	1,329	1,304	1,343	1,295	1,398	1,339	1,470	1,282	1,046
Licenses Sold	12,123	11,543	11,466	10,246	10,309	10,128	10,199	10,729	10,609	10,140
Emergency Medical Services (BU 4016)										
Service Calls	5,695	6,463	7,489	8,031	8,441	8,934	9,093	13,660	14,037	12,186
Environmental Health (BU 4011)										
Well Permits Issued	118	165	248	225	204	224	183	156	240	410
Mental Health (BU 4050)										
AVG Days, Request to Assessment [1]	21	13	10	8	9	6	6	6	4	cal yr

Notes:

1. State AVERAGE is 7 days (s*ource: CalEQRO, or BHC, FY 2019-20 Statewide External Quality Review Report prepared for CA DHCS).* AVERAGEs have been rounded to the closest whole number.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC ASSISTANCE										
Adult & Aging Services (BU 5010)										
Reported Cases of Elder Abuse	687	812	902	912	935	929	840	817	669	cal yr
In-Home Supportive Services Case-load	1,680	1,732	1,729	1,759	1,708	1,733	1,788	1,760	1,759	cal yr
Aid to Indigents (BU 5190)										
Regular General Assistance	969	916	756	576	587	565	524	490	108	cal yr
CalWORKS (BU 5130)										
Welfare to Work Participants	1,019	1,209	1,284	1,215	1,032	887	912	942	917	cal yr
Out-of-Home Care, AVG Monthly Case-load (BU 5010)										
Foster Care Ongoing	225	249	284	272	293	278	271	388	255	cal yr
Court Dependent Children	225	249	284	272	293	278	271	374	255	cal yr
Aid to Adoptions	*nda*	340	340	340	340	340	352	392	392	cal yr
Military and Veterans Affair Caseload Items (BU 5010)										
Claims Filed	1,111	894	1,181	1,456	917	902	760	1,318	1,280	cal yr
Veterans Transported to VA Medical	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	nda	nda	nda
Social Services (BU 5010)										
CalFresh	10,627	10,470	10,537	10,443	9,981	9,681	11,162	11,564	11,683	cal yr
Medi-Cal	16,461	17,037	19,615	22,217	24,202	23,784	34,894	33,554	33,746	cal yr
EDUCATION										
Library (BU 6110)										
Customers Visiting Library [1]	337,470	431,966	484,180	455,907	458,529	460,870	444,806	451,329	294,599	27,971

Notes:

1. Customers Vising Library is extremely low for FY 2021 due to COVID. We actually provided much curbside services outside the Library, but traditionally library visitor statistics are only counted when the visitors come inside the building.

nda - No data available

cal yr - Calendar year reporting period/no current year data

Source: County Departments

COUNTY OF MENDOCINO
CAPITAL ASSET STATISTICS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS

OPERATION INDICATORS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EDUCATION										
Branch Libraries	5	5	5	5	5	5	5	5	5	5
Bookmobiles	1	1	1	1	1	1	1	1	1	1
HEALTH/PUBLIC ASSISTANCE										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	27	30	31	29	33	45	52	52	52	56
FACILITIES, RECREATION & CULTURAL										
Buildings [1]	98	98	98	98	98	98	98	98	101	103
Parks	10	10	10	10	10	10	10	10	10	10
Land Acres	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	*nda*	nda	nda
SHERIFF										
Patrol Stations	3	3	3	3	3	3	3	3	3	3
Patrol Vehicles	45	45	44	46	49	52	54	54	54	52

Notes:

1. 2021 Additions:
   - Whitmore Lane Skilled Nursing Facility (an alternate care site for COVID-19 isolation)
   - Live Oak Apartments (Project Homekey transitional housing for homeless)

nda - No data available

Source: County Departments

MENDOCINO
1850
COUNTY

From: "Ribble, Karen \(Analytical\)" <karen.ribble@fitchratings.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 7/14/2022 4:39:44 PM
Subject: RE: Fitch annual review

Thank you so much! I will review the audit and plan to complete our review by the end of the first week of August. At this point I do not expect to publish a commentary. I will let you know if I have any questions.

Thanks,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:35 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: RE: Fitch annual review

CAUTION: External Email. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Karen,

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, July 6, 2022 7:13 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Re: Fitch annual review

Thank you Chamise. I will keep my eye out for the audit later this week.
Best,
Karen

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 6, 2022 6:16:27 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: FW: Fitch annual review

Hi Karen,

The County is awai ng final sign o from the County's audit firm and hopes to have the 2020-21 ACFR released by the end of this week.

We will forward as soon as we receive the final approval.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Lloyd Weer <weerl@mendocinocounty.org>
Sent: Thursday, June 30, 2022 11:17 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

Dear Mr. Weer,

I am working on Fitch's annual surveillance review of the county's credit ra ng. Fitch currently has an 'A+' issuer default ra ng and a 'A' ra ng on the county's 2002 pension obliga on bonds.

I was unable to locate the county's fiscal 2021 ACFR on the county website or on EMMA. If available, please forward that to me. If it is not complete, please provide information on why is has not yet completed this report.

If you have any questions, please call me at 415-732-5611 or via email.

Best,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

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its systems.

From: "Joshi, Abhinav" <Abhinav.Joshi@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 7/14/2022 4:41:28 PM
Subject: Re: Moody's Request for Information

Thank you, Chamise. Appreciate your support.

Best,
Abhinav

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:37:20 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Thursday, July 14, 2022 4:35 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Re: Moody's Request for Information

Hi Chamise,

Thank you for your note. It would be great if you could forward the report to me as well. Just don't want to miss this in any case.

Thank you once again!

Best,
Abhinav

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:33:20 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The report was just submitted at 4:13pm to MoodysPFGAudits@Moodys.com

Do you also need the report?

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Thursday, July 14, 2022 10:05 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your email. Looking forward to receiving the reports by COB Friday (07/15).

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 13, 2022 5:40 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

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Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We just received the final review copy this afternoon and hope to have it officially issued by end of this week.

We will send to you as soon as its available.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Wednesday, July 13, 2022 4:11 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Hope this email finds you well. I am writing to follow up on the earlier communication. I was hoping to check if the financial statements (ACFR) have been issued. If yes, could you please provide them before the end of this week? If the final audited statements have not been issued yet, please provide unaudited statements. This will prevent the rating from going under review.

Let me know if you have any additional questions.

Best,

Abhinav Joshi
Associate Lead Analyst
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 4:28 PM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

We do not have draft unaudited statements.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 3:19 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Moody's Request for Information

Hi Chamise,

Thank you for your reply. You won't need to update other analyst at the moment (I'll let you know if you need to do so). However, could you send over the unaudited financial statements in the meantime? Please let me know.

Best,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody's Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Friday, June 17, 2022 11:13 AM
To: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Subject: RE: Moody's Request for Information

This email originated from outside of Moody's

Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Abhinav,

The County's outside auditors prepare the County's financial statements (Annual Comprehensive Financial Report). The report is currently under final review with the audit firm. We are hoping that it will be issued by July 1st.

There have been delays related to staff changes at the County after the reporting period and covid impacts for both the County and the audit firm.

Does this response update the County informa on across Moody's or would I need to update other Analysts that may be related to areas that are not Sonoma Clean Power?

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Joshi, Abhinav <Abhinav.Joshi@moodys.com>
Sent: Friday, June 17, 2022 10:41 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Moody's Request for Information

Good Morning Chamise,
My name is Abhinav, and I am a Lead Analyst with Moody's Investors Service. We currently maintain a bond ra ng on a pool financing issued through the Sonoma Clean Power Authority, of which Mendocino (County of), CA is a participant. To maintain this ra ng, we require mely financial informa on from all of the pool par cipants. If the county's final fiscal 2021 audit is available, could you please provide it to us? If the audit is not complete, could you please send over any unaudited or draft financial statements?
If we do not receive the completed fiscal 2021 or adequate draft financial information byThursday, June 30, then we will consider placing the pool rating under review for possible withdrawal due to lack of sufficient information.
Thank you for your help and please feel free to reach out with any questions. I have attached some information on our insufficient information process that can also help address additional questions.
Thanks again,

Abhinav Joshi
Associate Lead Analyst 1
abhinav.joshi@moodys.com

Moody’s Investors Service
405 Howard St. Suite 300
San Francisco, CA 94105
moodys.com

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you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

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From: "Ribble, Karen \(Analytical\)" <karen.ribble@fitchratings.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 8/2/2022 12:48:28 PM
Subject: RE: Fitch annual review

Hi Chamise,

Thank you again for providing the audit. I am almost done with my review and am hoping you could answer a couple questions I was not able to find on your website or in the county's budget. (Could be there but I couldn't find it).

1. What is the status of labor agreements? They all appear to have expired at June 30, 2022. If closed, what are the terms? If still open, what assumptions for salaries were made in the fiscal 2023 budget?
2. Do you have any estimates for how fiscal 2022 general fund operations will end? It looks like the budget included a $5.5 million deficit. Do you expect that to have occurred or does the county have different expectations?
3. Are ARPA funds used through the general fund or are they accounted for separately?
4. Are there any contingent liabilities not disclosed in the fiscal 2021 audit that we should be aware of?

Thanks,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:35 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: RE: Fitch annual review

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Hi Karen,

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, July 6, 2022 7:13 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Re: Fitch annual review

Thank you Chamise. I will keep my eye out for the audit later this week.

Best,
Karen

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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 6, 2022 6:16:27 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: FW: Fitch annual review

Hi Karen,

The County is awai ng final sign o from the County's audit firm and hopes to have the 2020-21 ACFR released by the end of this week.

We will forward as soon as we receive the final approval.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Lloyd Weer <weerl@mendocinocounty.org>
Sent: Thursday, June 30, 2022 11:17 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

Dear Mr. Weer,

I am working on Fitch's annual surveillance review of the county's credit ra ng. Fitch currently has an 'A+' issuer default ra ng and a 'A' ra ng on the county's 2002 pension obliga on bonds.

I was unable to locate the county's fiscal 2021 ACFR on the county website or on EMMA. If available, please forward that to me. If it is not complete, please provide information on why is has not yet completed this report.

If you have any questions, please call me at 415-732-5611 or via email.

Best,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

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From: "Ribble, Karen \(Analytical\)" <karen.ribble@fitchratings.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 8/8/2022 7:07:10 AM
Subject: FW: Fitch annual review

Hi Chamise,
I have committee scheduled for Wednesday this week and am hoping you could provide a response to the questions below before then.
Please let me know if you have any questions.
Thank you,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

From: Ribble, Karen (Analytical)
Sent: Tuesday, August 2, 2022 12:48 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Fitch annual review

Hi Chamise,

Thank you again for providing the audit. I am almost done with my review and am hoping you could answer a couple questions I was not able to find on your website or in the county's budget. (Could be there but I couldn't find it).

1. What is the status of labor agreements? They all appear to have expired at June 30, 2022. If closed, what are the terms? If still open, what assumptions for salaries were made in the fiscal 2023 budget?
2. Do you have any estimates for how fiscal 2022 general fund operations will end? It looks like the budget included a $5.5 million deficit. Do you expect that to have occurred or does the county have different expectations?
3. Are ARPA funds used through the general fund or are they accounted for separately?
4. Are there any contingent liabilities not disclosed in the fiscal 2021 audit that we should be aware of?

Thanks,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, July 14, 2022 4:35 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: RE: Fitch annual review

CAUTION: External Email. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Karen,

Please see attached.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, July 6, 2022 7:13 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Re: Fitch annual review

Thank you Chamise. I will keep my eye out for the audit later this week.
Best,
Karen

Get Outlook for iOS

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Wednesday, July 6, 2022 6:16:27 PM
To: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: FW: Fitch annual review

Hi Karen,

The County is awai ng final sign o from the County's audit firm and hopes to have the 2020-21 ACFR released by the end of this week.

We will forward as soon as we receive the final approval.

Regards,

Chamise Cubbison, Acting Auditor-Controller
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Lloyd Weer <weerl@mendocinocounty.org>
Sent: Thursday, June 30, 2022 11:17 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Fitch annual review

FYI,

From: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Sent: Wednesday, June 29, 2022 7:10 AM
To: Lloyd Weer <weerl@mendocinocounty.org>
Subject: Fitch annual review

Dear Mr. Weer,

I am working on Fitch's annual surveillance review of the county's credit ra ng. Fitch currently has an 'A+' issuer default ra ng and a 'A' ra ng on the county's 2002 pension obliga on bonds.

I was unable to locate the county's fiscal 2021 ACFR on the county website or on EMMA. If available, please forward that to me. If it is not complete, please provide information on why is has not yet completed this report.

If you have any questions, please call me at 415-732-5611 or via email.

Best,
Karen

Karen Ribble
(She/Her/Hers)
Senior Director
State and Local Governments
(direct) 415-732-5611
karen.ribble@fitchratings.com
FitchRatings

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From: karen.ribble@fitchratings.com
To: cubbisoc@mendocinocounty.org
Date: 8/10/2022 3:15:49 PM
Subject: Confidential: Notification of Fitch Credit Decision

Fitch Ratings has reviewed the rating(s) of Mendocino County (CA) [General Government] and, based upon available information, has concluded that there should be no change to the existing rating(s) or rating outlook(s).

Please let us know if there have been any material developments (including new relevant and material information) which you consider may impact the rating(s) and which have not been previously communicated to Fitch Ratings. Please reply to me by email within 24 hours if this message was sent during your working hours so that we can consider your response before we conclude the review. For messages sent outside your working hours, please respond within 24 hours of the opening of your next business day. If we do not receive feedback within this timeframe, we will assume that there have been no material developments which you consider may impact the existing rating and that have not been previously communicated to Fitch and we will conclude the review.

Please be advised that Fitch has strict segregation of duty requirements between its Analytical and Commercial activities. Please do not share the contents of this email with any members of Fitch's Business & Relationship Management Group.

Regards,
Karen Ribble
Senior Director
+1 415 732 5611
karen.ribble@fitchratings.com

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From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: "Kikie DeLong" <delongk@mendocinocounty.org>
Date: 10/3/2022 1:48:52 PM
Subject: Automatic reply: 2021 Mendocino County Single Audit Report

MOODY'S

Thank you for your email!

If you have submitted a final audit complete with a signed auditor's letter, you should no longer receive email/written communication regarding your fiscal 2021 financial statements.
If you have already submitted financials and continue to receive email and/or written requests from Moody's, you may have:

1. **Mailed a hard copy of your audit**: If you have submitted a hard copy of your audit, please allow additional time for processing.
2. **Submitted unaudited, draft, or unsigned financial statements:** Submitting unaudited financial statements does not fully complete our request for information, as we require full and complete audited financial statements. However, submitting unaudited financial statements significantly reduces the risk of having your rating withdrawn.
3. **Been placed on a biennial auditing cycle:** If you are on a biennial auditing cycle and will not have an audit until the next fiscal year, please let us know by responding to this email, contacting your lead analyst, or one of the appointed contact persons below.

We apologize in advance if you have submitted financial information and continue to receive reminders.
If you have any additional questions, please contact your lead analyst or one of the following individuals:

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	**Mary Ann Fitzgerald:** Maryann.Fitzgerald@moodys.com (212) 553-7197 **Carolann Ratliff:** Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	**Julani Grisby:** Julani.Grisby@moodys.com (312) 706-9978 **Cindy Jacobshagen:** Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	**Mary Jane Dodds:** Mary.Dodds@moodys.com (214) 979-6856 **Sharena Warren:** Sharena.Warren@moodys.com (214) 979-6843
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	**Cisco Moran:** Cisco.Moran@moodys.com (415) 274-1703

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Kikie DeLong" <delongk@mendocinocounty.org>
Date: 12/15/2022 3:04:34 PM
Subject: FW: County of Mendocino
Attachments: Fitch Ratings_Mendocino County_Rating History Details.pdf
Fitch Ratings_Mendocino County_Rating History.pdf

From: Soltz Rudd, Jessica (BRM) <jessica.soltzrudd@fitchratings.com>
Sent: Thursday, December 15, 2022 1:47 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Cc: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: County of Mendocino

Chamise,

Hello! Karen sent me your request for a rating confirmation. Your rating is available on the, but we are thinking these two files might work together to answer/address your needs. Please let me know if these don't work and we'll figure out another solution.

Thank you.

Regards,
Jessica

Jessica Soltz Rudd
She/Her/Hers
Senior Director, U.S. Public Finance
Fitch Ratings, One Post Street, Suite 900 San Francisco, CA 94104
Direct: 415-732-7575
Mobile: 415-535-5054
Jessica.soltzrudd@fitchratings.com
www.fitchratings.com



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Ratings History

RATING TYPE	Rating	Rating Action	Rating Date
Long Term Issuer Default Rating	A+	Review - No Action	12 Aug 2022
	A+	Review - No Action	20 Aug 2021
	A+	Review - No Action	28 Aug 2020
	A+	Review - No Action	04 Sep 2019
	A+	Review - No Action	13 Nov 2018
	A+	Affirmed	29 Nov 2016
	A+	New Rating	25 Apr 2016

Ratings History

RATING TYPE	Rating	Rating Action	Rating Date
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Mendocino County (CA) [General Government]

Watch

Issues Research

CURRENT RATINGS

Ratings History Disclosures

FitchRatings

Long Term Issuer Default Rating

Action Review - No Action 12 Aug 2022

A+

Rating Outlook Stable

Key Rating Drivers

• Revenue Framework	a
• Expenditure Framework	aa
• Long-Term Liability Burden	aa
• Operating Performance	a

ESG RELEVANCE TO CREDIT RATING

As of 12 Aug 2022

Least Relevant — Most Relevant

1	2	3	4	5

Methodology

PROFILE

Country / Territory	United States
State	CALIFORNIA
Fitch ID	12042-96248742
Fitch Entity ID	118431
Market Sector(s)	County General Obligation
Analyst(s)	• Witte, Larry (Primary Rating Analyst) • Kourouma, Fatumata (Secondary Rating Analyst)

RECENT RESEARCH

22 Oct 2020 | Fitch Ratings | Data

State & Local Governments - Fitch Analytical Comparative Tool (FACT) - 2020

16 May 2019 | Fitch Ratings | Navigator

Mendocino County (CA) - ESG Navigator

09 Dec 2016 | Fitch Ratings | Rating Report

Mendocino County, California

Search | Ratings | Other Debt | Related Credits

Add issues to portfolio

Maturity	CUSIP	Fitch Long-Term	Fitch Short-Term	Unenhanced LT	Unenhanced ST	Enhanced LT	Enhanced ST
☐ Mendocino County (CA) / General Fund Contractual Obligations - Pension		A					Ratings
☐ Mendocino County (CA) pension oblig rfdg bonds ser 2002 (1)							
☐ Mendocino County (CA) / Issuer Default Rating - General Government		A+					Ratings
☐ Mendocino County (CA) (General Government) Issuer Default Rating (1)							

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Mendocino County (CA) [General Government]

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TERMS OF USE PRIVACY POLICY THIRD-PARTY RATINGS

From: "Kikie DeLong" <delongk@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
"Megan Hunter" <hunterm@mendocinocounty.org>
Date: 12/15/2022 4:17:16 PM
Subject: Mendocino Bond Issue Rating for CLA
Attachments: Fitch Ratings_Mendocino County_Rating History Details.pdf
Fitch Ratings_Mendocino County_Rating History.pdf

Thank you, Chamise!!

Megan, please copy to our files and send to Dan.

Thanks,
Kee

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, December 15, 2022 2:05 PM
To: Kikie DeLong <delongk@mendocinocounty.org>
Subject: FW: County of Mendocino

From: Soltz Rudd, Jessica (BRM) <jessica.soltzrudd@fitchratings.com>
Sent: Thursday, December 15, 2022 1:47 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Cc: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: County of Mendocino

Chamise,

Hello! Karen sent me your request for a rating confirmation. Your rating is available on the, but we are thinking these two files might work together to answer/address your needs. Please let me know if these don't work and we'll figure out another solution.

Thank you.

Regards,
Jessica

Jessica Soltz Rudd
She/Her/Hers
Senior Director, U.S. Public Finance
Fitch Ratings, One Post Street, Suite 900 San Francisco, CA 94104
Direct: 415-732-7575
Mobile: 415-535-5054
Jessica.soltzrudd@fitchratings.com
www.fitchratings.com



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Ratings History

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Long Term Issuer Default Rating	A+	Review - No Action	12 Aug 2022
	A+	Review - No Action	20 Aug 2021
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Ratings History

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Mendocino County (CA) [General Government]

Watch

Issues Research

CURRENT RATINGS

Ratings History Disclosures

FitchRatings

Long Term Issuer Default Rating

Action Review - No Action 12 Aug 2022

A+

Rating Outlook Stable

Key Rating Drivers

• Revenue Framework	a
• Expenditure Framework	aa
• Long-Term Liability Burden	aa
• Operating Performance	a

ESG RELEVANCE TO CREDIT RATING

As of 12 Aug 2022

Least Relevant — Most Relevant

1	2	3	4	5

Methodology

PROFILE

Country / Territory	United States
State	CALIFORNIA
Fitch ID	12042-96248742
Fitch Entity ID	118431
Market Sector(s)	County General Obligation
Analyst(s)	• Witte, Larry (Primary Rating Analyst) • Kourouma, Fatumata (Secondary Rating Analyst)

RECENT RESEARCH

22 Oct 2020 | Fitch Ratings | Data

State & Local Governments - Fitch Analytical Comparative Tool (FACT) - 2020

16 May 2019 | Fitch Ratings | Navigator

Mendocino County (CA) - ESG Navigator

09 Dec 2016 | Fitch Ratings | Rating Report

Mendocino County, California

Search | Ratings | Other Debt | Related Credits

Add issues to portfolio

Maturity	CUSIP	Fitch Long-Term	Fitch Short-Term	Unenhanced LT	Unenhanced ST	Enhanced LT	Enhanced ST
☐ Mendocino County (CA) / General Fund Contractual Obligations - Pension		A					Ratings
☐ Mendocino County (CA) pension oblig rfdg bonds ser 2002 (1)							
☐ Mendocino County (CA) / Issuer Default Rating - General Government		A+					Ratings
☐ Mendocino County (CA) (General Government) Issuer Default Rating (1)							

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Mendocino County (CA) [General Government]

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TERMS OF USE PRIVACY POLICY THIRD-PARTY RATINGS

From: "Megan Hunter" <hunterm@mendocinocounty.org>
To: "Kikie DeLong" <delongk@mendocinocounty.org>
Date: 12/19/2022 1:04:59 PM
Subject: RE: Mendocino Bond Issue Rating for CLA

Done, thank you.

Thank you,

Megan Hunter
Assistant Auditor-Controller
Mendocino County
501 Low Gap Rd.
Rm 1080
Ukiah, CA 95482
Phone 707-234-6872
hunterm@mendocinocounty.org

From: Kikie DeLong <delongk@mendocinocounty.org>
Sent: Thursday, December 15, 2022 3:17 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>; Megan Hunter <hunterm@mendocinocounty.org>
Subject: Mendocino Bond Issue Rating for CLA

Thank you, Chamise!!

Megan, please copy to our files and send to Dan.

Thanks,
Kee

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Thursday, December 15, 2022 2:05 PM
To: Kikie DeLong <delongk@mendocinocounty.org>
Subject: FW: County of Mendocino

From: Soltz Rudd, Jessica (BRM) <jessica.soltzrudd@fitchratings.com>
Sent: Thursday, December 15, 2022 1:47 PM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Cc: Ribble, Karen (Analytical) <karen.ribble@fitchratings.com>
Subject: County of Mendocino

Chamise,

Hello! Karen sent me your request for a rating confirmation. Your rating is available on the, but we are thinking these two files might work together to answer/address your needs. Please let me know if these don't work and we'll figure out another solution.

Thank you.

Regards,
Jessica

Jessica Soltz Rudd
She/Her/Hers
Senior Director, U.S. Public Finance
Fitch Ratings, One Post Street, Suite 900 San Francisco, CA 94104
Direct: 415-732-7575
Mobile: 415-535-5054
Jessica.soltzrudd@fitchratings.com
www.fitchratings.com



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From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: ttc@mendocinocounty.org
Date: 3/15/2023 6:31:34 AM
Subject: Mendocino (County of) CA - Financial Data Request

Dear Shari:

Moody's currently maintains a credit rating on Mendocino (County of) CA. We actively monitor our ratings as long as the bonds remain outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

As of today, we have not received your audited financial statements for the fiscal year ending June 30, 2022 and are seeking your assistance in acquiring this informatio

Please email the requested audit to us at MoodysPFGAudits@Moodys.com by April 10, 2023. If possible, please also add our contact information to your distribution lis so that we may receive audits each year as they are released. Please ensure that the audit has a signed auditor's letter to confirm that it is third party verified.

If your audited financial statements are not yet available, please send us your unaudited financial statements for fiscal year 2022 that have been, or will be, submitted to your auditor. While sending unaudited financial statements does not completely fulfill this request, it will improve the likelihood that we will be able to properly maintain your rating.
You will continue to receive reminder emails to submit audited financial statements even if you have submitted unaudited financial statements. If you have been placed a biennial auditing cycle and a complete audit will not be available for another year, please let us know by responding to this email. We apologize in advance if you continue to receive submission letters.

For pooled financing administrators: Please ensure that all pool participants have submitted their audits, as we need all pool participants' audited financial statements to maintain pooled finance ratings (even if we do not have a public rating on the participant).

If you prefer to submit a hard copy of the audited financial statements, please send the document(s) to the address below:

Moody's PFG Audits
Moody's Investors Service
7WTC at 250 Greenwich Street
New York, NY 10007

If you have any additional questions, email us at MoodysPFGAudits@moodys.com, or contact the appropriate analyst in the table below

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	Cisco Moran: Cisco.Moran@moodys.com (415) 274-1703

If you have already sent the requested information, please contact us so we can remove you from subsequent mailings regarding the 2022 audit review pro

Thank you in advance for your prompt response and cooperation.

Sincerely,

Moody's PFG Audits Team

Moody's monitors email communications through its networks for regulatory compliance purposes and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

From: treasury <treasury@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 3/15/2023 11:02:51 AM
Subject: FW: Mendocino (County of) CA - Financial Data Request

---

From: ttc <ttc@mendocinocounty.org>
Sent: Wednesday, March 15, 2023 9:26 AM
To: treasury <treasury@mendocinocounty.org>
Subject: FW: Mendocino (County of) CA - Financial Data Request
Importance: High

Melinda Hernandez
Senior Revenue Recovery Specialist
Mendocino County Treasurer - Tax Collector
hernandezme@mendocinocounty.org
(707)234-6845

From: Moodys PFG Audits <MoodysPFGAudits@moodys.com>
Sent: Wednesday, March 15, 2023 6:32 AM
To: ttc <ttc@mendocinocounty.org>
Subject: Mendocino (County of) CA - Financial Data Request
Importance: High

Dear Shari:

Moody's currently maintains a credit rating on Mendocino (County of) CA. We actively monitor our ratings as long as the bonds remain outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

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Please email the requested audit to us at MoodysPFGAudits@Moodys.com by April 10, 2023. If possible, please also add our contact information to your distribution lis so that we may receive audits each year as they are released. Please ensure that the audit has a signed auditor's letter to confirm that it is third party verified.

If your audited financial statements are not yet available, please send us your unaudited financial statements for fiscal year 2022 that have been, or will be, submitted to your auditor. While sending unaudited financial statements does not completely fulfill this request, it will improve the likelihood that we will be able to properly maintain your rating.
You will continue to receive reminder emails to submit audited financial statements even if you have submitted unaudited financial statements. If you have been placed a biennial auditing cycle and a complete audit will not be available for another year, please let us know by responding to this email. We apologize in advance if you continue to receive submission letters.

For pooled financing administrators: Please ensure that all pool participants have submitted their audits, as we need all pool participants' audited financial statements to maintain pooled finance ratings (even if we do not have a public rating on the participant).

If you prefer to submit a hard copy of the audited financial statements, please send the document(s) to the address below:

Moody's PFG Audits
Moody's Investors Service
7WTC at 250 Greenwich Street
New York, NY 10007

If you have any additional questions, email us at MoodysPFGAudits@moodys.com, or contact the appropriate analyst in the table below

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	Cisco Moran: Cisco.Moran@moodys.com (415) 274-1703

If you have already sent the requested information, please contact us so we can remove you from subsequent mailings regarding the 2022 audit review proc

Thank you in advance for your prompt response and cooperation.

Sincerely,

Moody's PFG Audits Team

Moody's monitors email communications through its networks for regulatory compliance purposes and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: ttc@mendocinocounty.org
Date: 4/17/2023 6:41:25 AM
Subject: Mendocino (County of) CA - Reminder: Financial Data Request

Dear Shari:

Moody's currently maintains a credit rating on Mendocino (County of) CA. We actively monitor our ratings as long as the bonds remain outstanding, which requires that disclosure of third-party audited and verified financial information.

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7WTC at 250 Greenwich Street
New York, NY 10007

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From: ttc <ttc@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 4/17/2023 9:09:06 AM
Subject: FW: Mendocino (County of) CA - Reminder: Financial Data Request

Please see below….

Melinda Hernandez
Senior Revenue Recovery Specialist
Mendocino County Treasurer - Tax Collector
hernandezme@mendocinocounty.org
(707)234-6845

From: Moodys PFG Audits <MoodysPFGAudits@moodys.com>
Sent: Monday, April 17, 2023 6:41 AM
To: ttc <ttc@mendocinocounty.org>
Subject: Mendocino (County of) CA - Reminder: Financial Data Request
Importance: High

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Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	Cisco Moran: Cisco.Moran@moodys.com (415) 274-1703

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Darcie Antle" <antled@mendocinocounty.org>
Date: 4/24/2023 5:46:52 PM
Subject: RE: Please submit your requested information to S&P Global Ratings - Reference: ORG 9211 (Mendocino Cnty, CA)

Hi Darcie,

We hope the audit will be complete by May 31st. But that also depends on the responsiveness of departments for the audit requests, etc.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Darcie Antle <antled@mendocinocounty.org>
Sent: Tuesday, April 11, 2023 9:11 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: Fw: Please submit your requested information to S&P Global Ratings - Reference: ORG 9211 (Mendocino Cnty, CA)

Chamise
When will the 2022 outside audit be completed?

Thank you

From: pubfin_statelocalgovt@spglobal.com <pubfin_statelocalgovt@spglobal.com>
Sent: Tuesday, April 11, 2023 2:39 AM
To: Darcie Antle <antled@mendocinocounty.org>
Subject: Please submit your requested information to S&P Global Ratings - Reference: ORG 9211 (Mendocino Cnty, CA)

Dear Ms. Antle, :

Your organization has debt outstanding that is currently rated by S&P Global Ratings. Ongoing and timely access to information is a critical component of S&P Global Ratings' routine surveillance of credit ratings and helps us remain forward-looking in our credit rating. Accordingly, in order to maintain a rating on your organization, we are requesting annual financial reporting and other information.

Our records indicate that S&P Global Ratings has not yet received the following information:

- A copy of your organization's fiscal year ending **2022** Audit Report .

Please provide documents electronically to pubfin_statelocalgovt@spglobal.com (you may reply directly to this e-mail) by May 09, 2023 . If documents are publicly available on a website, please e-mail us the link. Note that S&P Global Ratings no longer accepts physical copies of documents.

If the requested information is not yet available, please reply to this message by May 09, 2023 with an approximate completion date for the requested information.

Thank you in advance for your cooperation. If you have any questions regarding the information required or general inquiries, please contact Batul Dalal by phone at (800)563-5414 or by e-mail at pubfin_statelocalgovt@spglobal.com .

Best regards,

No content (including ratings, credit-related analysis and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analysis, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analysis and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

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From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: ttc@mendocinocounty.org
Date: 5/2/2023 5:40:47 AM
Subject: Mendocino (County of) CA - Final Reminder: Financial Data Request

Dear Shari:

Moody's currently maintains a credit rating on a pool financing bond which Mendocino (County of) CA is a participant. We actively monitor our ratings as long as the bon outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

We currently do not have your audited financial statements for fiscal year ending June 30, 2022 on file and are seeking your assistance in acquiring this information.
Your participation in a rated pool financing requires us to have current financial information on your entity, even if we don't have an individual outstanding rating on your

This mail serves as our final request for 2022 audited financial statements. Please email the requested audit documents to MoodysPFGAudits@Moodys.com by May 2 possible, please also add our contact information to your distribution list so that we may receive audits each year as they are released. Please ensure that the audit has auditor's letter to confirm that it is third party verified.

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New York, NY 10007

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From: "Melinda Hernandez" <hernandezme@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 5/2/2023 9:12:11 AM
Subject: FW: Mendocino (County of) CA - Final Reminder: Financial Data Request

Hello Chamise,

Please see below.

Thank you,

Melinda Hernandez
Senior Revenue Recovery Specialist
Mendocino County Treasurer - Tax Collector
hernandezme@mendocinocounty.org
(707)234-6845

From: Moodys PFG Audits <MoodysPFGAudits@moodys.com>
Sent: Tuesday, May 2, 2023 5:41 AM
To: ttc <ttc@mendocinocounty.org>
Subject: Mendocino (County of) CA - Final Reminder: Financial Data Request
Importance: High

Dear Shari:

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: MoodysPFGAudits@moodys.com
Date: 5/2/2023 9:14:55 AM
Subject: FW: Mendocino (County of) CA - Final Reminder: Financial Data Request

---

To Whom it May Concern,

The County of Mendocino is currently working with our outside auditors to complete our fiscal year 2021-22 Annual Comprehensive Financial Report and our audit. It is anticipated that they will be completed by May 31, 2023.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Moodys PFG Audits <MoodysPFGAudits@moodys.com>
Sent: Tuesday, May 2, 2023 5:41 AM
To: ttc <ttc@mendocinocounty.org>
Subject: Mendocino (County of) CA - Final Reminder: Financial Data Request
Importance: High

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You will receive direct communication from your assigned analyst to submit audited financial statements even if you have submitted unaudited financial statements. If y placed on a biennial auditing cycle and a complete audit will not be available for another year, please let us know by responding to this email. We apologize in advance to receive submission requests.

If you prefer to submit a hard copy of the audited financial statements, please send the document(s) to the address below:

Moody's PFG Audits
Moody's Investors Service
7WTC at 250 Greenwich Street
New York, NY 10007

If we do not receive the requested 2022 audited financial statements by May 24, 2023, we may need to place the pooled financing rating on review for possib

Once the rating is under review and the information is still not forthcoming, a Moody's rating committee will then review the situation and take an appropriate action, whi among other actions, the lowering and/or possible withdrawal of the rating assigned to the bonds.

If you have any additional questions, please email us at MoodysPFGAudits@moodys.com, or contact the appropriate analyst in the table below:

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	Cisco Moran: Cisco.Moran@moodys.com (415) 274-1703

If you have already sent the requested information, please contact us so we can remove you from subsequent mailings regarding the 2022 audit review proc

Thank you in advance for your prompt response and cooperation.

Sincerely,

Moody's PFG Audits Team

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From: "Moodys PFG Audits" <MoodysPFGAudits@moodys.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 5/2/2023 9:15:17 AM
Subject: Automatic reply: Mendocino (County of) CA - Final Reminder: Financial Data Request

MOODY'S

Thank you for your email!

If you have submitted a final audit complete with a signed auditor's letter, you should no longer receive email/written communication regarding your fiscal 2022 financial statements.
If you have already submitted financials and continue to receive email and/or written requests from Moody's, you may have:

1. Mailed a hard copy of your audit: If you have submitted a hard copy of your audit, please allow additional time for processing.
2. Submitted unaudited, draft, or unsigned financial statements: Submitting unaudited financial statements does not fully complete our request for information, as we require full and complete audited financial statements. However, submitting unaudited financial statements significantly reduces the risk of having your rating withdrawn.
3. Been placed on a biennial auditing cycle: If you are on a biennial auditing cycle and will not have an audit until the next fiscal year, please let us know by responding to this email, contacting your lead analyst, or one of the appointed contact persons below.

We apologize in advance if you have submitted financial information and continue to receive reminders.
If you have any additional questions, please contact your lead analyst or one of the following individuals:

Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766
Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	Cisco Moran: Cisco.Moran@moodys.com (415) 274-1703

Moody's monitors email communications through its networks for regulatory compliance purposes

and to protect its customers, employees and business and where allowed to do so by applicable law. The information contained in this e-mail message, and any attachment thereto, is confidential and may not be disclosed without our express permission. If you are not the intended recipient or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that you have received this message in error and that any review, dissemination, distribution or copying of this message, or any attachment thereto, in whole or in part, is strictly prohibited. If you have received this message in error, please immediately notify us by telephone, fax or e-mail and delete the message and all of its attachments. Every effort is made to keep our network free from viruses. You should, however, review this e-mail message, as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Melinda Hernandez" <hernandezme@mendocinocounty.org>
Date: 5/2/2023 9:15:37 AM
Subject: RE: Mendocino (County of) CA - Final Reminder: Financial Data Request

Hi Melinda,

I responded directly.

Thanks,

Chamise

From: Melinda Hernandez <hernandezme@mendocinocounty.org>
Sent: Tuesday, May 2, 2023 9:12 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: FW: Mendocino (County of) CA - Final Reminder: Financial Data Request
Importance: High

Hello Chamise,

Please see below.

Thank you,

Melinda Hernandez
Senior Revenue Recovery Specialist
Mendocino County Treasurer - Tax Collector
hernandezme@mendocinocounty.org
(707)234-6845

From: Moodys PFG Audits <MoodysPFGAudits@moodys.com>
Sent: Tuesday, May 2, 2023 5:41 AM
To: ttc <ttc@mendocinocounty.org>
Subject: Mendocino (County of) CA - Final Reminder: Financial Data Request
Importance: High

Dear Shari:

Moody’s currently maintains a credit rating on a pool financing bond which Mendocino (County of) CA is a participant. We actively monitor our ratings as long as the bon outstanding, which requires that we receive timely disclosure of third-party audited and verified financial information.

We currently do not have your audited financial statements for fiscal year ending June 30, 2022 on file and are seeking your assistance in acquiring this information.

Your participation in a rated pool financing requires us to have current financial information on your entity, even if we don’t have an individual outstanding rating on your

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Office	States	Contact
New York	AL, CT, DE, FL, GA, KY, ME, MD, MA, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VT, VA, WV	Mary Ann Fitzgerald: Maryann.Fitzgerald@moodys.com (212) 553-7197 Carolann Ratliff: Carolann.Ratliff@moodys.com (212) 553-7766

Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
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From: "Melinda Hernandez" <hernandezme@mendocinocounty.org>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 5/2/2023 9:17:52 AM
Subject: RE: Mendocino (County of) CA - Final Reminder: Financial Data Request

Thank you!

Melinda Hernandez
Senior Revenue Recovery Specialist
Mendocino County Treasurer - Tax Collector
hernandezme@mendocinocounty.org
(707)234-6845

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Tuesday, May 2, 2023 9:16 AM
To: Melinda Hernandez <hernandezme@mendocinocounty.org>
Subject: RE: Mendocino (County of) CA - Final Reminder: Financial Data Request

Hi Melinda,

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Chicago	IL, IN, IA, MI, MN, NE, ND, OH, SD, WI	Julani Grisby: Julani.Grisby@moodys.com (312) 706-9978 Cindy Jacobshagen: Cindy.Jacobshagen@moodys.com (312) 706-9955
Dallas	AR, CO, OK, TX, KS, LA, MO, NM	Mary Jane Dodds: Mary.Dodds@moodys.com (214) 979-6856
San Francisco	AK, AZ, CA, HI, ID, MT, NV, OR, UT, WA, WY	Cisco Moran: Cisco.Moran@moodys.com (415) 274-1703

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Moody's PFG Audits Team

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as well as any attachment thereto, for viruses. We take no responsibility and have no liability for any computer virus which may be transferred via this e-mail message.

From: "Witte, Larry \(Analytical\)" <larry.witte@fitchratings.com>
To: weerl@mendocinocounty.org
Date: 6/4/2023 8:15:18 AM
Subject: Fitch-Rated Debt Verification - Mendocino County (CA) [General Government]

Fitch Ratings annually seeks to confirm via e-mail the accuracy of issuance ratings data that are published on our website and made available to rating users via other distribution channels.

If corrections or other adjustments to the description(s) listed below are required, please reply to this email with relevant details and we will update our database within 30 business days.

If no response is received within 10 business days we will assume the information is correct.

Par amount, if included in the description, is par at issuance and does not need to be updated to account for principal reduction.

Thank you.

Larry Witte
FitchRatings

Our records for you reflect the following outstanding Fitch-rated issues:

--Mendocino County (CA) pension oblig rfdg bonds ser 2002

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From: "Witte, Larry \(Analytical\)" <larry.witte@fitchratings.com>
To: cubbisoc@mendocinocounty.org
Date: 6/6/2023 12:16:36 PM
Subject: Fitch's annual review of Mendocino County and the county's 2022 audit

Ms. Cubisson,

The regulatory requirement to complete the review for Mendocino County is around July 28. I know you may publish your fiscal 2022 audit in the coming weeks. Since we would need time to review the fiscal 2022 results and project into fiscal 2023 and 2024, I wonder if you could share any preliminary unaudited results for fiscal 2022. I was hoping to publish updated analysis for the County since the commentary on our site is from 2016.

Could you let me know what information is available for fiscal 2022? It's possible to review the rating using fiscal 2021 in July, but then I'd review the rating again after your fiscal 2022 audit is published.

Thank you.

Larry Witte, CFA
(He/Him/His)
Director, U.S. Local Government Ratings
Fitch Ratings
One Post Street, Suite 900, San Francisco, CA 94101
Direct: +1 415 732 7572
larry.witte@fitchratings.com
www.fitchratings.com

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From: "Witte, Larry \(Analytical\)" <larry.witte@fitchratings.com>
To: cubbisoc@mendocinocounty.org
Date: 6/26/2023 10:00:00 AM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

Good morning Ms. Cubbison,

I am following up on my email from earlier this month, and voice mail from this morning. Does the county have unaudited financial statements for fiscal 2022 that we can use in our review? Our regulatory deadline is in late July. Thank you for your assistance.

Larry Witte, CFA
(He/Him/His)
Director, U.S. Local Government Ratings
Fitch Ratings
One Post Street, Suite 900, San Francisco, CA 94101
Direct: +1 415 732 7572
larry.witte@fitchratings.com
www.fitchratings.com

From: Witte, Larry (Analytical)
Sent: Tuesday, June 6, 2023 12:17 PM
To: cubbisoc@mendocinocounty.org
Subject: Fitch's annual review of Mendocino County and the county's 2022 audit

Ms. Cubbison,

The regulatory requirement to complete the review for Mendocino County is around July 28. I know you may publish your fiscal 2022 audit in the coming weeks. Since we would need time to review the fiscal 2022 results and project into fiscal 2023 and 2024, I wonder if you could share any preliminary unaudited results for fiscal 2022. I was hoping to publish updated analysis for the County since the commentary on our site is from 2016.

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Witte, Larry (Analytical)" <larry.witte@fitchratings.com>
Date: 6/26/2023 10:41:07 AM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

Hi Larry,

The County does not have unaudited financial statements as they are prepared during the audit and preparation of the ACFR. We are still working with our outside auditors to complete the ACFR and Single Audit. We do hope to have those completed by the end of July. Please feel free to check back with me in a couple of weeks as I know you need to be able to plan your work as well.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Witte, Larry (Analytical) <larry.witte@fitchratings.com>
Sent: Monday, June 26, 2023 10:00 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

Good morning Ms. Cubbison,

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From: "Witte, Larry \(Analytical\)" <larry.witte@fitchratings.com>
To: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
Date: 6/26/2023 11:46:41 AM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

Chamise,

Thank you very much for your response. We will review the County's rating twice in this cycle.

The first will be a review no action based on the fiscal 2021 audit, and we will process that to comply with our regulatory deadline in July. Could you confirm that there are no material developments that would affect the rating?

Our second review will include the fiscal 2022 audited financials that will follow later in the year. Since we haven't published on the County since 2016, I would like to update the public analysis. I do this as a matter of course for issuers that we have not published on for more than two years, which is about 60% of the ratings in my portfolio. Once I receive your fiscal 2022 audit I will get back to you about the timeline for the second review. A published review takes a little more input from obligors, and I will make sure to give you ample time to provide additional information that I may need.

At this point all I need is the answer to the question on material developments mentioned above.

After we do the second review in 2023, we will be on an review schedule that synchs with your audit release. Then we will be back to one review each year, and on a publishing schedule every three years.

Larry Witte, CFA
(He/Him/His)
Director, U.S. Local Government Ratings
Fitch Ratings
One Post Street, Suite 900, San Francisco, CA 94101
Direct: +1 415 732 7572
larry.witte@fitchratings.com
www.fitchratings.com

From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Monday, June 26, 2023 10:41 AM
To: Witte, Larry (Analytical) <larry.witte@fitchratings.com>
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

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Hi Larry,

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One Post Street, Suite 900, San Francisco, CA 94101
Direct: +1 415 732 7572
larry.witte@fitchratings.com
www.fitchratings.com

From: Witte, Larry (Analytical)
Sent: Tuesday, June 6, 2023 12:17 PM
To: cubbisoc@mendocinocounty.org
Subject: Fitch's annual review of Mendocino County and the county's 2022 audit

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From: "Witte, Larry \(Analytical\)" <larry.witte@fitchratings.com>
To: cubbisoc@mendocinocounty.org
Date: 6/28/2023 1:03:07 PM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

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To: cubbisoc@mendocinocounty.org
Date: 7/5/2023 10:29:42 AM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

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To: "Witte, Larry (Analytical)" <larry.witte@fitchratings.com>
Date: 7/6/2023 11:42:32 AM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

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Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Witte, Larry (Analytical) <larry.witte@fitchratings.com>
Sent: Wednesday, July 5, 2023 10:30 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

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Date: 7/6/2023 12:10:03 PM
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

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Following analysis of the fiscal 2022 audit, we will conduct another review and reach out to you with further questions for updates.

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Thank you very much for your response. We will review the County's rating twice in this cycle.

The first will be a review no action based on the fiscal 2021 audit, and we will process that to comply with our regulatory deadline in July. Could you confirm that there are no material developments that would affect the rating?

Our second review will include the fiscal 2022 audited financials that will follow later in the year. Since we haven't published on the County since 2016, I would like to update the public analysis. I do this as a matter of course for issuers that we have not published on for more than two years, which is about 60% of the ratings in my portfolio. Once I receive your fiscal 2022 audit I will get back to you about the timeline for the second review. A published review takes a little more input from obligors, and I will make sure to give you ample time to provide additional information that I may need.

At this point all I need is the answer to the question on material developments mentioned above.

After we do the second review in 2023, we will be on an review schedule that synchs with your audit release.

Then we will be back to one review each year, and on a publishing schedule every three years.

Larry Witte, CFA
(He/Him/His)
Director, U.S. Local Government Ratings
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larry.witte@fitchratings.com
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From: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Sent: Monday, June 26, 2023 10:41 AM
To: Witte, Larry (Analytical) <larry.witte@fitchratings.com>
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

CAUTION: External Email. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Larry,

The County does not have unaudited financial statements as they are prepared during the audit and preparation of the ACFR. We are still working with our outside auditors to complete the ACFR and Single Audit. We do hope to have those completed by the end of July. Please feel free to check back with me in a couple of weeks as I know you need to be able to plan your work as well.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Witte, Larry (Analytical) <larry.witte@fitchratings.com>
Sent: Monday, June 26, 2023 10:00 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Subject: RE: Fitch's annual review of Mendocino County and the county's 2022 audit

Good morning Ms. Cubbison,

I am following up on my email from earlier this month, and voice mail from this morning. Does the county have unaudited financial statements for fiscal 2022 that we can use in our review? Our regulatory deadline is in late July. Thank you for your assistance.

Larry Witte, CFA
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larry.witte@fitchratings.com
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From: Witte, Larry (Analytical)
Sent: Tuesday, June 6, 2023 12:17 PM
To: cubbisoc@mendocinocounty.org
Subject: Fitch's annual review of Mendocino County and the county's 2022 audit

Ms. Cubbison,

The regulatory requirement to complete the review for Mendocino County is around July 28. I know you may

publish your fiscal 2022 audit in the coming weeks. Since we would need time to review the fiscal 2022 results and project into fiscal 2023 and 2024, I wonder if you could share any preliminary unaudited results for fiscal 2022. I was hoping to publish updated analysis for the County since the commentary on our site is from 2016.

Could you let me know what information is available for fiscal 2022? It's possible to review the rating using fiscal 2021 in July, but then I'd review the rating again after your fiscal 2022 audit is published.

Thank you.

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From: "Chamise Cubbison" <cubbisoc@mendocinocounty.org>
To: "Darcie Antle" <antled@mendocinocounty.org>
Date: 7/18/2023 3:58:20 PM
Subject: RE: Please submit your requested information to S&P Global Ratings - Reference: ORG 9211 (Mendocino Cnty, CA)

Hi Darcie,

The County's outside audit firm is still completing the fiscal year 2021-22 audit and the preparation of Annual Comprehensive Financial Review. The County does not have a draft financial statement available for review. We hope that the reports will be available in the next 30 days.

Regards,

Chamise Cubbison, Auditor-Controller/Treasurer Tax-Collector
Mendocino County ▪ 501 Low Gap Rd., Rm 1080 ▪ Ukiah, CA 95482 ▪ Phone 707-234-6871

From: Darcie Antle <antled@mendocinocounty.org>
Sent: Friday, July 14, 2023 8:25 AM
To: Chamise Cubbison <cubbisoc@mendocinocounty.org>
Cc: Sara Pierce <pierces@mendocinocounty.org>
Subject: FW: Please submit your requested information to S&P Global Ratings - Reference: ORG 9211 (Mendocino Cnty, CA)

Chamise
Have you completed the outside audit for 21/22?

Thank you

From: pubfin_statelocalgovt@spglobal.com <pubfin_statelocalgovt@spglobal.com>
Sent: Friday, July 14, 2023 6:07 AM
To: Darcie Antle <antled@mendocinocounty.org>
Subject: Please submit your requested information to S&P Global Ratings - Reference: ORG 9211 (Mendocino Cnty, CA)

Dear Ms. Antle, :

Your organization has debt outstanding that is currently rated by S&P Global Ratings. Ongoing and timely access to information is a critical component of S&P Global Ratings' routine surveillance of credit ratings and helps us remain forward-looking in our credit rating. Accordingly, in order to maintain a rating on your organization, we are requesting annual financial reporting and other information.

Our records indicate that S&P Global Ratings has not yet received the following information:

- A copy of your organization's fiscal year ending **2022** Audit Report .

Please provide documents electronically to pubfin_statelocalgovt@spglobal.com (you may reply directly to this e-mail) by August 11, 2023 . If documents are publicly available on a website, please e-mail us the link. Note that S&P Global Ratings no longer accepts physical copies of documents.

If the requested information is not yet available, please reply to this message by August 11, 2023 with an approximate completion date for the requested information.

Thank you in advance for your cooperation. If you have any questions regarding the information required or general inquiries, please contact Batul Dalal by phone at (800)563-5414 or by e-mail at pubfin_statelocalgovt@spglobal.com .

Best regards,

S&P Global Ratings

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