

**CALIFORNIA HEALTH FACILITIES FINANCING
FINANCING AUTHORITY**

HUMBOLDT COUNTY



Application

**Investment in Mental Health Wellness
Grant Program
for Children and Youth**

January 27, 2021

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INVESTMENT IN MENTAL HEALTH WELLNESS GRANT PROGRAM for Children and Youth

Form-1: SUMMARY INFORMATION *Please type all responses.*

Total Requested Grant Amount: \$ 6,122,011.00 Date Submitted: January 28, 2021

LEAD GRANTEE

1. APPLICANT INFORMATION

<small>NAME OF APPLICANT:</small> County of Humboldt Department of Health and Human Services - Behavioral Health	<small>ENTITY TYPE: (County or Joint Powers Authority)</small> County
<small>ADDRESS:</small> 824 Harris Street	<small>CITY, STATE AND ZIP:</small> Eureka, CA 95501

CONTACT INFORMATION

<small>FIRST AND LAST NAME:</small> Emi Botzler-Rodgers	<small>TITLE:</small> Behavioral Health Director
<small>ADDRESS:</small> 824 Harris Street	<small>CITY, STATE AND ZIP:</small> Eureka, CA 95501
<small>PHONE NUMBER:</small> 707 268 2990	<small>FAX NUMBER:</small>
<small>EMAIL ADDRESS:</small> EBotzler-Rodgers@co.humboldt.ca.us	

Project Title: **Lost Coast Crisis Residential Treatment Centers**

Project Brief Summary Description (*Limited to 20 words*): **Crisis Residential Treatment Center serving children and youth 7-21 experiencing mental health crisis including: major depressive disorder, suicidality, anxiety, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.**

County(ies) to be served: **Humboldt, Del Norte and Trinity.**

Please select all programs to be funded with Grant, and insert number of beds and/ or teams to be added by the proposed Project, as applicable.

<input checked="" type="checkbox"/> Crisis Residential Treatment 9 beds Amount Requested \$ <u>4,424,588</u>	<input checked="" type="checkbox"/> Crisis Stabilization 3 beds Amount Requested \$ <u>1,474,863</u>	<input checked="" type="checkbox"/> Mobile Crisis Support Teams 1 team(s) including: 1) 1 Vehicle(s), and/or 2) 2 Staff Capital Amount Requested \$ <u>62,400</u> Personnel Funding Requested for 1 year \$ <u>160,160</u>	<input type="checkbox"/> Family Respite Care Amount Requested \$ _____
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Purpose of Grant: *Check all applicable boxes*

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Purchase of real property | <input checked="" type="checkbox"/> Construction or renovation | <input checked="" type="checkbox"/> Mobile Crisis Support Team Personnel Funding |
| <input checked="" type="checkbox"/> Furnishings and/or Equipment | <input checked="" type="checkbox"/> Information technology | <input checked="" type="checkbox"/> Purchase of Mobile Crisis Support Team vehicle(s) |
| | <input checked="" type="checkbox"/> Program startup or expansion costs | |

Form-2: ADDITIONAL APPLICANTS AND SERVICE PROVIDERS Please fill out additional Applicants and service provider(s) contact information. *Please use space as needed. Copy page if more space is needed.*

1. CO-APPLICANT INFORMATION

NAME OF APPLICANT: NA	ENTITY TYPE: <i>(County or Joint Powers Authority)</i>
ADDRESS:	CITY, STATE AND ZIP:

CO-APPLICANT CONTACT INFORMATION

FIRST AND LAST NAME: NA	TITLE:
ADDRESS:	CITY, STATE AND ZIP:
PHONE NUMBER:	FAX NUMBER
EMAIL ADDRESS:	

2. CO-APPLICANT INFORMATION

NAME OF APPLICANT: NA	ENTITY TYPE: <i>(County or Joint Powers Authority)</i>
ADDRESS:	CITY, STATE AND ZIP:

CO-APPLICANT CONTACT INFORMATION

FIRST AND LAST NAME: NA	TITLE:
ADDRESS:	CITY, STATE AND ZIP:
PHONE NUMBER:	FAX NUMBER
EMAIL ADDRESS:	

Service Providers:

1. ORGANIZATION TO DELIVER SERVICES (IF KNOWN) *Check box if same as Designated Lead Grantee*

NAME OF ORGANIZATION: Lost Coast Crisis Residential Treatment Center	ENTITY TYPE: 501(c)(3)(pending)
ADDRESS: 647 Elizabeth Drive	CITY, STATE AND ZIP: Arcata CA 95521

CONTACT INFORMATION

FIRST AND LAST NAME: Evan Buxbaum	TITLE: MD
PHONE NUMBER: (707)845-7555	FAX NUMBER (707)725-2426
EMAIL ADDRESS: evan@indigenati.com	

2. ORGANIZATION TO DELIVER SERVICES (IF KNOWN)

NAME OF ORGANIZATION: NA	ENTITY TYPE:
ADDRESS:	CITY, STATE AND ZIP:

CONTACT INFORMATION

FIRST AND LAST NAME:	TITLE:
PHONE NUMBER:	FAX NUMBER
EMAIL ADDRESS:	

Form-3: SUMMARY OF FUNDING REQUESTED

REQUESTED FUNDING BY PROGRAM	
Crisis Residential Treatment Program	
ELIGIBLE COSTS	AMOUNT
Purchase of Real Property (how many properties? 1)	\$ 3,700,000.00
Construction or Renovation*	\$ 150,000.00
Furnishings and/or Equipment	\$ 75,000.00
Information Technology**	\$ 49,588.00
Program Startup or Expansion Costs (up to three months)	\$ 450,000.00
SUB-TOTAL	\$ 4,424,588.00
Crisis Stabilization Program	
ELIGIBLE COSTS	AMOUNT
Purchase of Real Property (how many properties? Same)	\$ 1,100,000.00
Construction or Renovation*	\$ 100,000.00
Furnishings and/or Equipment	\$ 25,000.00
Information Technology**	\$ 8,912.00
Program Startup or Expansion Costs (up to three months)	\$ 240,951.00
SUB-TOTAL	\$ 1,474,863.00
Mobile Crisis Support Team Program	
ELIGIBLE COSTS	AMOUNT
Purchase of vehicles (how many vehicles? 1) May include two-year maintenance contracts, if any.	\$ 62,400.00
Furnishings and/or Equipment	\$ 0.00
Information Technology**	\$ 0.00
Program Startup or Expansion Costs (up to three months)	\$ 0.00
Personnel Funding for 1 year (how many FTEs? 2)	\$ 160,160.00
SUB-TOTAL	\$ 222,560.00

REQUESTED FUNDING BY PROGRAM	
Family Respite Care Program	
ELIGIBLE COSTS	AMOUNT
Purchase of Real Property (how many properties?)	\$ 0.00
Construction or Renovation*	\$ 0.00
Furnishings and/or Equipment	\$ 0.00
Information Technology**	\$ 0.00
Program Startup or Expansion Costs (up to three months)	\$ 0.00
SUB-TOTAL	\$ 0.00
Total Requested Grant Amount	\$ 6,122,011.00

*Hardscaping and/or landscaping costs essential to the completion of the Project may not exceed 5% of total Grant award.

**Information Technology hardware and software costs may not exceed 1% of total Grant award except when approved by the Authority and only upon submission of justification in Application narrative that the additional information technology costs are necessary for the Project to achieve the desired goals and outcomes set forth in Section 7319(a)(3) and Section 7319.1(a)(3) of the regulations.

Form-4: COUNTY GRANT AMOUNTS WORKSHEET

COUNTY GRANT AMOUNTS WORKSHEET

Complete the worksheet below for each County listed as Lead Grantee and Co-Applicant(s) on Form-1 and Form-2.

Applicants may apply for Capital and Personnel Funding as set forth in Section 7318 of the regulations. Counties Applying Jointly, may at their discretion, apply for up to the sum of their respective maximum Capital Funding amounts.

COUNTY NAME	CAPITAL FUNDING REQUESTED	PERSONNEL FUNDING REQUESTED (Mobile Crisis for 1 year)	TOTAL REQUESTED (Capital + Personnel)
Humboldt	\$ 5,961,851.00	\$ 160,160.00	\$ 6,122,011.00
	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00
	\$ 0.00	\$ 0.00	\$ 0.00
TOTALS	\$ 5,961,851.00	\$ 160,160.00	\$ 6,122,011.00

Form-5: SOURCES AND USES

Please include sources and uses to complete the entire Project.

Sources of Funds:	Project Completion:
Total Grant amount requested	\$ 6,122,011.00
Mental Health Services Act (MHSA) funds	\$ 0.00
Realignment funds	\$ 0.00
Medi-Cal, Federal Financial Participation	\$ 0.00
Other sources, list (i.e. bank loan*, other grants)	
_____	\$ 0.00
_____	\$ 0.00
_____	\$ 0.00
Total Sources	\$ 6,122,011.00

*If obtaining a bank loan, please name the bank and describe the length and rate of the loan.

Uses of Funds:	
Purchase of real property	\$ 4,800,000.00
Construction or renovation**	\$ 250,000.00
Purchase of vehicles and vehicle maintenance contracts	\$ 62,400.00
Furnishings and/or equipment	\$ 100,000.00
Information technology hardware and software	\$ 58,500.00
Program start up or expansion costs (3 months)	\$ 690,951.00
Personnel Funding - for Mobile Crisis Support Teams only (1 year)	\$ 160,160.00
Other costs	
_____	\$ 0.00
_____	\$ 0.00
_____	\$ 0.00
Total Uses (must equal Total Sources)	\$ 6,122,011.00

****Grantees must comply with California’s prevailing wage law under Labor Code section 1720, et seq. for public works projects. The Authority recommends Applicants consult with their legal counsel.**

1. Project expands access to and capacity for community-based Mental Health Crisis Services that offer relevant alternatives to hospitalization and detainment by law enforcement.

1.a. Describe the new or expanded Crisis Stabilization, Crisis Residential Treatment and/or MRT to be funded by the Grant, the services within the Programs, and the Target Population(s).

Lost Coast Crisis Residential Treatment Center (Crisis Center) represents a novel and direly needed service for children and adolescents on California's rural north coast. We intend to establish a 12 bed, 24/7 Children's Crisis Stabilization and Children's Crisis Residential Program, as well as an integrated child and adolescent Mobile Response Team (MRT) to address the critical need for the treatment of moderate to severe mental health crises among youth ages 7-21. The composition of the newly created MRT will be equivalent to existing County teams and will consist of two staff and one vehicle. The goal is to grow the bed capacity to 14 beds within 5 years.

The Crisis Center will serve children and youth experiencing moderate to severe mental health crisis, including but not limited to severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, early bipolar disorder, and developmental trauma. Humboldt County has one of the highest Adverse Childhood Experiences Scores (ACES) in California, and our young population is among the most traumatized in the state. Our focus is on trauma informed care, and helping children/youth and their families start down a path to recovery from traumatic experiences that are frequently at the core of a mental health crisis.

The Crisis Center will serve youth from the Counties of Humboldt, Del Norte and Trinity. Special populations whom we anticipate treating include: youth in foster care or transitioning out of the foster care system, youth in the correctional system, and Indigenous youth from the Karuk, Hupa, Tolowa, Wiyot, Mattole, Bear River, Yurok, and other regional tribes. Ideally we will create a partnership with tribal mental health and social work professionals to integrate traditional beliefs about healing into their plans of care. This will provide a level of continuity and care coordination that has not been available in the absence of a local facility.

Our approach to treatment is "**The Living Room Model**," a calm, healing, home-like environment in which the child or adolescent is encouraged to stabilize their mental health and start on the road to recovery, whether for a short period of stabilization or a longer course of residential treatment. The Crisis Center will treat children and youth with emotion dysregulation, high-risk/self-harm behaviors, suicidal ideation, or other high-acuity mental health, dual diagnosis, or behavioral issues. In the Crisis Residential track, children and youth will live on-site for an average of 10-21 days, during which they will receive round-the-clock support and treatment. Our home in Ferndale will feature comfortable single occupancy accommodations, a fully equipped gym, music and art rooms, a beautiful and serene natural setting, and an onsite chef serving a locally sourced organic whole food vegetarian diet.

Our treatment program incorporates multiple evidenced-based practices including Mindfulness Based Cognitive Therapy, Dialectical Behavior Therapy (DBT) and Cognitive Behavioral Therapy (CBT), play therapy with younger children, Virtual Reality Therapy, and other modalities.

Residents will participate in individual, group, and/or family therapy at least 5 times a week. They will receive a thorough neuropsychiatric evaluation and diagnosis with a pediatric psychiatrist within 24 hours of admission. They will also have access to experiential therapies such as art, music, drama, fitness, cooking, yoga, and more. In cooperation with the Humboldt County Office of Education we will offer academic support during the stay so the child maintains their schoolwork and can reintegrate into their home school after discharge. Each child and family will cooperate in creating an individualized healing plan to meet their therapeutic needs, encourage personal growth, and lay the foundation for lifelong recovery.

Some children or adolescents may only need 24 hours of stabilization, which will include de-escalating the severity of their level of distress, guaranteeing the safety of the child, and establishing a plan of care following discharge. The goal of crisis stabilization is to prevent or lessen the acute symptoms of a mental health crisis by providing 24-hour observation and supervision, as well as a comprehensive psychological evaluation and diagnosis, and when indicated, the supervised initiation or adjustment of medical management. Integrated support following discharge, in coordination either with our own or existing outside mental health providers in the community, will include ongoing therapeutic and medical management of mental health issues as well as social supports to maximize the vital infrastructure needed for resilience.

After stabilization, and for more long-standing or deeper crises, we will offer residential treatment protocols of up to 2-3 weeks. During these longer stays we will have the opportunity to implement a regimen of individual and group therapy, mindfulness therapy and practice, various modalities of neuromodulation, personal growth, medication when indicated, and self-care. As a facility located in the community we serve, we will have the opportunity during residency to begin family therapy to maximize resilience tools and create the network of services needed to support the child in their home environment after discharge.

When indicated, and under the guidance of our pediatric psychiatrist, we will initiate and manage the judicious use of medication in a safe, supervised setting. With continuous on-site care we will be able to monitor for efficacy and side effects. We will also offer neuromodulation therapies such as transcranial magnetic stimulation and/or neurofeedback.

1.b. Describe the community need existing within the current continuum, address who does and does not receive services now, and how the Project is designed to address the weaknesses of the current system and build on its strengths.

Currently our community's need for Crisis Stabilization for minors and Crisis Residential Treatment for children and adolescents is largely unmet. Semper Virens, our County's acute Psychiatric Health Facility, does not accept clients younger than 18. The nearest pediatric mental health facility is in Santa Rosa (over 200 miles away) and over four hours travel time by vehicle. Our children who have need of inpatient hospitalization are forced to travel out of the county for the appropriate level of psychiatric care. With the availability of Crisis Stabilization services focused on serving minors, and Children's Crisis Residential services, many of these hospitalizations could be avoided. During a mental health crisis, the ability to provide crisis services locally would enable families to participate in services, avoid extensive travel and expenses, and improve coordination of care with local services. Our facility will vastly expand access to timely, necessary, and safe residential treatment for children and adolescents.

Humboldt County, California is home to approximately 25,620 persons under the age of 18 years. Between 2019 and 2020, 5% of these youths sought services through County Behavioral Health. Of these, 336 were in need of crisis services totaling 573 crisis events. Over half of those given treatment were ages 13-18 years, and 35% were ages 6-12 years. In Humboldt County, suicide is the leading cause of death for those aged 15 to 24.

As described above, Humboldt County has one of the highest rates of ACEs in the state, indicating a significant need for pediatric trained mental health professionals to serve the children and adolescents who need care. Combined data from Humboldt and Mendocino counties show that 75.1 percent of adults experienced 1 or more ACEs, and 30.8 percent experienced 4 or more during their childhood. While this data represents childhood trauma experiences across age cohorts, Humboldt's children are experiencing rates of trauma far higher than the state average, and the effects of transgenerational trauma are well established. Per the Humboldt County Department of Health and Human Services *Children's Mental Health System Assessment* (2018), parents and teachers in our community are deeply concerned about the complexity of the mental health needs of Humboldt County's children and youth, with anxiety and depression named as the top two needs facing youth in the county.

This county is dedicated to creating programs to ensure equity care to youth experiencing a healthcare disparity. According to the 2019 Humboldt County Census population estimates, 6.4% of the population is of Native American descent. Indigenous populations in general have 2-3 times the ACE scores greater than 4 of non-Indigenous people. In this past year, 13% of youth given mental health treatment through County Behavioral Health were Native American/Alaska Native. This also accounted for 14% of those in crisis. Our data shows that 10% of the Native American/Alaskan children were in need of mental health treatment in the past year while only 3.8% of the white population accessed county services.

1.c. Quantify and describe how the Project will increase capacity for community-based Mental Health Crisis Services.

As a newly established level of service in our community, the 12 beds (9 Crisis Residential and 3 Crisis Stabilization) we are creating represent a dramatic increase in our capacity to treat and care for youth in acute psychiatric distress on the North coast. The Crisis Center's MRT will increase capacity by adding deployable personnel trained in pediatric crisis response, along with a vehicle, to existing County resources.

1.c.i. Describe how the number of Crisis Stabilization and Crisis Residential Treatment beds; and/or the number of Mobile Crisis Support Teams including the number of vehicle and staff impact the Target Population(s) and translates into a number of additional Children and Youth that can be served in the community?

The Crisis Center will provide care to youth ages 7-21. With an average stay of 10 days, our Crisis Residential beds can accommodate up to 27 patients monthly. Our Crisis Stabilization beds, with a stay of up to 24 hours, can accommodate many more. At an estimated 80% occupancy we will be serving more than 500 patients per year.

In 2020 there were 680 pediatric calls to the County's MRT. County Behavioral Health has one mobile team that specializes in crisis response for children and youth. This single pediatric team

is able to provide 40 hours/week coverage. All remaining calls are assigned to the County's adult team. Adding an additional pediatric team will create the ability to provide 24/7 coverage to children and youth.

1.d. Describe how the Project will expand and improve timely access to community-based Mental Health Crisis Services. Address how access is expanded and improved for the community.

One of the unique aspects of our program is our commitment to establishing integrated coordination and case management of services for all of our patients. In Humboldt County, there is a long history of coordination and partnership between the County Behavioral Health programs, Organizational Providers, community Mental Health providers, and child-serving agencies such as Child Welfare Services, Juvenile Probation, and the County Office of Education. When serving children, youth, and their families, it is critical to prevent services from becoming siloed and uncoordinated. Due to the significant challenges many children and families in our community face, they often get established with connections to several different agencies and multiple service providers. One of our priorities is to coordinate with existing professional and natural supports in the community upon discharge, helping families access services after discharge.

Our therapists, social workers, and administrative support staff will coordinate and communicate with community therapists, behaviorists, and service providers during and after the child's stay. Through partnerships with community providers, the Crisis Center will increase timely access to services. For those who have not been able to find providers, we will facilitate referrals, communicate discharge plans, and work with families to match available services to the needs and interests of the patients. For people who have fallen out of services due to economic or logistical causes, our team will help identify barriers to services and develop appropriate plans for families to access the services that are needed to sustain long-term health and wellbeing. Finally, we will place special focus on enhancing indicators of resilience in the child's home environment, which may include mental health or substance abuse services for parents or caregivers, arranging outpatient family therapy, or support for the social and economic infrastructure needed to provide a healthy home into which we discharge.

Our outreach efforts will seek to include service providers and community organizations who may be able to identify and divert young people before they try to harm themselves, before they present to the emergency room in extremis, and before they come into contact with law enforcement. That effort starts with outreach to primary care providers and psychologists who already see young people, helping them become aware of what we offer, and will also extend to Child Welfare Services, Juvenile Probation, police and County Sheriff's deputies, school counselors, Regional Center staff, and other community groups and organizations that serve children and families. As our letters from cooperative organizations in our County demonstrates, we have already made strides in building bridges and enlisting liaisons.

Our community is home to a diverse population from multiple cultural and linguistic backgrounds. We will make every effort to provide culturally sensitive, appropriate care to individuals from Humboldt's Latino, Native American, and other minority communities. In cooperation with Native American tribal councils and mental health professionals serving Native youth, we wish to integrate Indigenous concepts of healing and mental health into our therapeutic model. Additionally, we will provide sensitive and appropriate care to our LGBTQ+ youth, who often bear a greater burden of mental struggles as they navigate issues around identity and mental health

in the broader cultural landscape. All staff will receive initial and ongoing training in trauma-informed care, cultural sensitivity, diversity, and inclusiveness to create a safe and respectful work and healing environment.

1.e. Describe how the Project will be qualitatively different than crisis services delivered in an institutional setting and include a description of the proposed staffing, the community setting in which the Programs will be offered and the building or vehicles in which services will be provided.

Currently, local law enforcement and emergency room staff are often tasked with the provision of psychiatric or crisis care to children. When a crisis such as a suicide attempt, violent outburst, or mental breakdown cannot be handled on site, the young person suffering an acute mental health crisis is brought to the emergency room. There they are medically evaluated and ideally assessed by a telehealth pediatric psychiatrist, who determines disposition. If the psychiatric hold can be lifted and an adequate safety plan developed, the youth may be discharged home. If the hold cannot be lifted, a search for placement at a psychiatric facility begins. Awaiting placement at an out-of-county facility, the youth will continue observation on a psychiatric hold in the Emergency Room.

In the Emergency Room the child will have a sitter, but generally won't receive any therapy or mental health services beyond an initial and discharge evaluation. The hospitals work with the County's MRT staff, when they are available, to provide a crisis evaluation and determine disposition. Case Management staff assist with discharge planning and connection to outpatient services if the hold can be lifted. Due to the COVID-19 pandemic, the MRT staff have been forced to perform evaluations through telephone/virtual methods. In the absence of pediatric psychiatrists in the county who are available to evaluate youth in the emergency room or who are incarcerated, these assessments have almost always been through telepsychiatry, even before COVID. These are often limited in scope and targeted at determining whether a psychiatric hold can be lifted, instead of the comprehensive assessment and therapy that Crisis Stabilization or Crisis Residential care entails.

Currently, when a youth is discharged home from the emergency room, follow-up with referrals to community services is often challenging for families having just experienced a crisis. County MRT staff attempt to assist families as much as possible, but with limited staff and availability youth and families often fail to access outpatient services that help to prevent future crises. Access to community counselors in our county is severely limited, and the logistics of arranging care can be daunting for families with economic or transportation challenges.

Our Children's Crisis Residential Program and Crisis Stabilization Unit will be a fundamentally different experience, both from the existing options in the County as well as from traditional psychiatric hospitalization. Our comfortable home-like environment, in which a young person can be evaluated and start the process of therapy and healing, is far superior to inpatient care at a psychiatric hospital. Residential treatment in the county is preferable as it is far less traumatic and allows us the opportunity to connect with care providers and in-county services throughout their stay and after. If a youth does need inpatient hospitalization, the availability of a local Crisis Residential program will allow them to potentially return to their home, school, and community sooner. As part of a discharge plan from an inpatient psychiatric hospitalization, stepping down to Crisis Residential services following a mental health hospitalization has never been an option for youth in our community.

In addition to individual therapy with a pediatric trained, trauma-informed therapist (psychologist, MFT or LCSW), we will offer daily group sessions stratified by age group, mindfulness based therapies, therapeutic activities, and family counseling during and after the residential treatment. We will seek to foster self-advocacy in our residents, and when possible we will encourage and support the individual's interests in music, art, or any other passion that may help in their recovery.

Our model focuses on mindfulness-based cognitive behavioral therapy and trauma-informed care. Mindfulness-based cognitive therapy is a type of psychotherapy that involves a combination of cognitive therapy, meditation, and the cultivation of a present-oriented, non-judgmental attitude called mindfulness. It is effective in mood disorders in adolescents including depression and anxiety. Specific trauma-informed modes of therapy include Trauma-Focused Cognitive Behavioral Therapy (TF-CBT) and Eye Movement Desensitization & Reprocessing (EMDR). Some of these modalities, when they entail more sessions than a short residential stay allows, will be initiated during the residential period with completion of the protocol in the outpatient setting.

In younger children, age-appropriate therapeutic modalities including pediatric cognitive behavioral therapy, play therapy, and EMDR will be used. Especially in this age group, but with our older patients as well, we will include families, foster parents, and other caregivers when appropriate during family counseling sessions. This is an opportunity available in our in-county facility which is often not possible in an out of county psychiatric placement, both because of limitations on visitation as well as the prohibitive cost and time required for families to travel hundreds of miles away.

We will be able to offer medical management after a thorough evaluation and diagnosis in consultation with our telepsychiatrist within 24 hours of admission as well as prior to discharge. Medication will be managed judiciously, with the intention to minimize side effects and set an endpoint for medical intervention whenever possible. Often the goal of psychiatric hospitalization is to get the child/youth stable enough for discharge, and in the absence of local follow-up, this tends toward over-medication. With outpatient initiation of medication, the side effects and efficacy are difficult to gauge. Observation in our short term residential care will be superior to both in this regard.

Our healing center will be housed in a 9,500 square foot seaside facility in Ferndale, California, 30 minutes from the county hub of Eureka. In addition to the 12 patient bedrooms with their own bathrooms, this 24 room facility has 3 rooms for overnight staff, 3 rooms for therapy, rooms for a gym, art, music, and other activities, and ample space for group sessions and free time. There is an industrial kitchen and dining area where we will serve organic, locally sourced vegetarian cuisine. And with over 100 acres overlooking the Pacific there will be ample opportunity for walks and nature therapy.

Our facility will be open 7 days a week, 24 hours a day, year round. We will have a medical director (a pediatrician) and available telepsychiatry. We will have a rotating staff of psychiatric nurse practitioners always available (taking shifts that will staff overnight), in addition to a staff of 6 medical assistants, 3 pediatric-trained LCSW's, MFT's, or psychologists, an events coordinator, a cook, an assistant, and a groundskeeper.

The Crisis Center's MRT will utilize a SUV to transport patients from outside facilities, such as ER's or police custody, directly to the facility and to their home again after discharge. The MRT, when activated, will be staffed by one of our psychiatric nurse practitioners and a medical assistant/driver. Their role will be to help with crisis stabilization and the determination of whether placement is appropriate at our facility. Our vehicle will be safe and reassuring, as compared to a police vehicle or an ambulance that can be further traumatizing. We will be available 24/7 for transport and up to 120 hours a week when the County's existing Children's MRT is unavailable.

2. Application demonstrates a clear plan for a continuum of care before, during, and after crisis mental health intervention or treatment and for collaboration and integration with other health systems, educational institutions, social services, and law enforcement.

Having a facility in the county will allow for a far more integrated continuum of care than what currently exists. As the highest level of pediatric and adolescent mental health care in Humboldt, one of our core roles will be to coordinate care and services through the young person's crisis and after to prevent recurrence.

When a young person in crisis is identified, whether through family, the emergency department, other County MRT, law enforcement, school, or Child Welfare Services, we will be contacted in a timely manner. The Crisis Center's MRT will be available to be dispatched to their location to coordinate with medical, social, or crisis intervention services on the scene, and if appropriate, to transport them back to our facility for stabilization or a period of residential treatment. We intend to cultivate our existing relationships in the county so law enforcement, emergency departments and other child serving partners know that when a young person presents in crisis, we are the first number to call. Ideally this will divert children before the traumatizing experiences of arrest or a psychiatric hold in the emergency room.

During the Crisis Stabilization and Crisis Residential Treatment period, post discharge planning and integration will be critical. That includes a warm handoff to counseling and case management services in the community. Our staff will play a vital role in facilitating outpatient therapy in conjunction with County Behavioral Health services, Beacon Health providers, or one of the other outpatient service providers in the community. If a youth has a developmental disability, it may mean direct contact with the Redwood Coast Regional Center. Agencies that specialize in services for Autism and special needs, such as Trumpet Behavioral Health or Starfish Hero, offer services that are difficult to access but which can be orchestrated prior to discharge by our clinical staff. In some cases, patients will be able to continue the therapy they start with us through our Lost Coast Treatment Center's satellite office in Eureka, which will offer many of the same services on an outpatient basis.

Many of the youth who experience a crisis situation and get hospitalized out of county have involvement with the Child Welfare System. Our services will provide a local resource to help children in the foster care and adoption systems, stabilize current placements, and provide a mental health plan that will prevent further placement disruption or the need for inpatient care. Working with caregivers, CWS Social Workers, and families as part of our treatment will help youth avoid multiple placements and the repetitive attachment trauma that entails.

Unlike many out-of-county psychiatric placements, we intend to include and incorporate family or foster caregivers in all of our healing plans. The literature on resilience in children recovering from trauma over the past 40 years has clearly identified protective environmental factors that improve health outcomes, including fostering positive appraisal styles in children and bolstering executive function, improving parenting, supporting caregivers' mental health, helping parents to develop self-care skills and consistent household routines, and education about the impact of trauma on children. These family resiliency interventions will be fostered following discharge.

Studies have shown that a majority of youth in the juvenile justice system meet criteria for at least one mental health disorder. Without appropriate treatment, a youth's behaviors often lead to an increased frequency of law enforcement encounters and incarceration. In many of these situations, a mental health crisis is the precipitating factor for their arrest, which presents an opportunity to divert children from incarceration to treatment centered on trauma recovery, therapy, predictors of resilience, and strength-focused planning.

2.a. Describe how the Project fits in with the continuum of care as it presently exists in the community.

There continues to be increased demand in our community for mental health resources, especially for crisis focused services. The County's Department of Health and Human Services, Children's Behavioral Health department offers Specialty Mental Health Services to Medi-Cal beneficiaries. These services include outpatient mental health assessment, individual/family therapy, case management medication support, intensive care coordination, therapeutic behavioral services, substance use disorder services, and peer/parent support. Additionally, the County contracts with several Organizational Providers to provide mental health services to the mild-moderate population. Beneficiaries can also be referred to Beacon providers in the community. While this System of Care serves a large number of youth and families with varying levels of need, existing resources are stretched thin. Youth without Medi-Cal, or those without the support necessary to access these resources, may suffer with undiagnosed or untreated mental illness until they reach the point of crisis. Unfortunately, there exists a significant gap in our county's system between standard outpatient care and more intensive crisis or inpatient services. Humboldt County does not have an inpatient psychiatric hospital that provides services to minors, so youth needing this level of service are sent out of county. Often youth have to wait in an Emergency Room for long periods of time while a placement is sought. Mobile Crisis workers are routinely faced with the decision to either to leave a youth on a psychiatric hold and have them hospitalized several hours away from family and supports, or to lift a hold without an adequate safety plan and sufficient services in place to prevent future crises. This is the gap that will be filled with a Crisis Stabilization Unit as well as a Children's Crisis Residential Program serving minors.

2. a.i. Identify the shortcomings that exist within the continuum and how the Project will improve the existing continuum of care for Children and Youth utilizing Mental Health Crisis Services and supply any available data.

Humboldt County has worked hard to develop a comprehensive System of Care to serve children, youth, and families. While there are many wonderful services available, our rural community faces some significant challenges. As mentioned before, there is a considerable gap in the continuum of

care that exists between outpatient services and inpatient hospitalization out of county. Community behavioral health providers often have waiting lists, and our County Behavioral Health inpatient facility is not able to provide services to minors. Law enforcement officers are often the first responders to the scene of a child in mental health crisis, and our emergency rooms are the most likely receiving facility. Our police and emergency personnel do the best they can, but they are working in a system that is not designed for this purpose.

If a child needs residential care, they are sent far out of Humboldt County, 200 miles away at the closest and sometimes much further. These distant facilities don't have an understanding of our community's resources, so follow-up is difficult to orchestrate. Often, given the challenges of post-discharge coordination with a facility out of the area, children return home sedated on high doses of psychotropic medications to maintain their psychological state. Follow-up and medication management often falls on their primary care physicians, if they have one.

County Behavioral Health has a single Children's Mobile Response Team, which answers 680 calls a year for children in mental health crisis. With only one unit, a large portion of the week is not covered by a specialized unit for youth. No Children's Mobile Response Team services are available after 5:00 pm, and calls that come on weekends go to the adult Mobile Response Team with support from a Children's Mobile Response Team Case Manager. The addition of our MRT would essentially double the capacity in the County and greatly expand the availability of this vital service.

2.a.ii. Indicate whether the Applicant(s) contemplates submitting an application to the Mental Health Oversight and Accountability Commission or has been awarded funding for triage personnel.

In 2018, County Behavioral Health received a grant from the Mental Health Oversight and Accountability Commission (MHSOAC) to enhance and expand the Children's Mobile Response Team. The County was awarded \$512,713.00 over three (3) years. The expansion creates depth to the program allowing more staff to deploy to various locations (including schools, field, and emergency rooms) and provides crisis intervention, reducing the necessity for involuntary holds. The expansion of the program also provides additional options for less restrictive care through early intervention, case management, clinical care, and peer support.

In the same Year County Behavioral Health received a grant from the MHSOAC to enhance and expand the Adult's Mobile Response Team. The County was awarded \$690,935.00 over three (3) years. Services, referrals, and linkages include, but are not limited to, outpatient mental health counseling, case management, medication support, alcohol and other drug services/clean and sober services, housing, identification and linkage to a primary care physician, shelter, and bus vouchers.

Also in 2018, County Behavioral Health received a grant from MHSOAC to enhance existing partnerships with schools and expand access to a continuum of services and supports for children and their families. The County was awarded \$5,293,367.35 over four (4) years. This award enabled County Behavioral Health, in collaboration with school districts, to create Humboldt Bridges to Success, an integrated school-based crisis prevention and early intervention program.

This Children's Crisis Residential Treatment Facility will integrate seamlessly with these programs to provide the next step in care for those in crisis.

2.b. Describe the county's or counties' working relationships with Related Supports that already exist and those which will be established to enhance and expand community-based collaboration designed to maximize and expedite access to crisis services for the purpose of avoiding unnecessary hospitalization and detainment by law enforcement and improving wellness for Children and Youth with mental health disorders and their families. The existing working relationships shall be supported by letters from the Related Supports identifying the collaborative efforts amongst the agencies to enhance and expand crisis services.

County Behavioral Health has a long history of working relationships that support expedited access to crisis services for children and youth countywide. These collaborative relationships work to minimize unnecessary hospitalizations and law enforcement detainment. Beginning in 2019, many working relationships were formalized and agreements were executed between County Behavioral Health and the Sheriff's Department, Probation, Child Welfare Services, and the County Office of Education. These agreements provide a collaborative structure intended to enhance and expand the provision of field-based mental health crisis services to individuals 21 and under. Other agreements were created partnering County Behavioral Health and all school districts county-wide. The partnership works to coordinate and expand the delivery of school-based mental health services.

Exhibit B contains letters of support from Sheriff Honsal, Richard Goldwasser, M.D., who serves as the psychiatrist for Redwood Coast Regional Facility, Two Feathers Native American Family Services, Redwood Community Action Agency, Providence/St. Joseph Medical System, which runs St. Joseph Eureka and Redwood Memorial Hospitals, Humboldt County Probation Department, Humboldt State University NAMI, Humboldt-Del Norte SELPA, Humboldt County Office of Education and Child Welfare Services for the Lost Coast Children's Crisis Residential Treatment Center proposed in this application. Included in **Exhibit C** are 30 letters dating back to 2018 showing the depth of support and commitment to expand mental health crisis services to better serve children and youth.

2.b.i. An example of an enhancement may include training of local law enforcement, current crisis providers, hospitals and other related providers on how to properly respond to Children and Youth experiencing a mental health crisis.

County Behavioral Health coordinates the Crisis Intervention Team (CIT), which primarily provides training for law enforcement around de-escalation for adults experiencing mental health crises, but it is also a venue for building partnerships and relationships. Behavioral Health coordinates an annual 40-hour CIT Training, which utilizes a national curriculum developed by The Bureau of Justice Assistance. We also host a monthly meeting with law enforcement agencies, community providers, and the hospitals to brainstorm and problem solve situations and come up with proactive approaches. Behavioral Health has developed particularly strong allyships with the Eureka Police Department, Arcata Police Department, Sheriff's Office, and Fortuna Police Department who look within their departments to identify and encourage officers to collaborate

with clinicians. These efforts are contributing to a cultural shift in stakeholder's understanding of behavioral health and how to respond to people experiencing crises.

We plan to **educate law enforcement on de-escalation of behaviors among youth and adolescents in mental health crises**. Ideally officers and first responders would have adequate training and skills to manage a mental health crisis situation in a way that avoids further traumatization to the child/family and would not need to use force. **We plan similar educational outreach for emergency room personnel.**

By involving our Crisis Residential Treatment team early through activation of our specialized MRT, with streamlined admission to our center when needed and appropriate, we would be able to begin treatment early in the process with continuity of care through every residential admission.

3. Identifies Key Outcomes and a Plan for Measuring Them.

3.a. Provide a plan that includes the methodology, timeline, and assignment of responsibility to measure and demonstrate outcomes of the Program, including the following:

The responsibility to evaluate the program will be shared by the County and the service provider. Upon notification of award, the Evaluation Team will begin working with partners to collect and analyze mental health services data from our age cohort over a 12 month period. This analysis will form the baseline to measure the outcomes of all subsequent years. The baseline period will coincide with the property acquisition, construction and licensing phase and will depict pre-project/program implementation data. Data will be continuously collected, compiled and analyzed. Outcome reporting will be produced annually.

3.a.i. Reduced hospital emergency room and psychiatric inpatient utilization.

Objective 1: Reduce the time that children and youth wait in the Emergency Department (ED) or law enforcement custody before transferring to a therapeutic setting or outpatient care. The average wait time for transfers to inpatient and outpatient care will be reduced by 20% by Year 1, 35% by Year 2 and 50% by Year 3. Years 4 and on are expected to maintain a minimum reduction of 50% of the baseline.

Objective 2: Decrease psychiatric hospital admissions for children and youth by 20% in Year 1, 35% by Year 2, and 50% by Year 3. Years 4 and on are expected to maintain a minimum reduction of 50% of baseline.

Objective 3: Decrease pediatric 5150 holds in the emergency department by 20% by Year 1, 35% by Year 2 and 50% by Year 3. Years 4 and on are expected to maintain a minimum reduction of 50% of the baseline.

Working with the Emergency Departments at St. Joseph Eureka and Redwood Memorial Hospitals, as well as Mad River Community Hospital and Jerold Phelps Hospital in Garberville, we will be able to track a reduction in prolonged 5150 holds in the ED, as well as transfers out of county for inpatient psychiatric hospitalizations. Currently there are an average 7-8 youth transfers a month out of Humboldt County, and we anticipate that many of these hospitalizations could be

avoided with the availability of a local Children’s Crisis Stabilization Unit and Crisis Residential facility. Additionally there are an estimated 20-30 youth mental health crises per month coming through the various county emergency rooms, many of which should be able to be diverted to our facility for short-term stabilization or longer residential care. In addition there are the facilities in Crescent City, Trinity County, and other regional emergency rooms who would be able to send children/youth to our facility.

3.a.ii. Reduced law enforcement involvement on mental health crisis calls, contacts, custodies and/or transports for assessment.

Objective 4: Reduced number of calls to law enforcement for the purpose of mental health crisis response for children and youth. Calls to law enforcement requesting assistance with mental health crisis intervention will be reduced by 10% by Year 1, 20% by Year 2 and 30% by Year 3. Years 4 and on are expected to maintain a minimum reduction of 30% of the baseline.

Objective 5: Reduce the amount of time law enforcement is involved when responding to requests for mental health crisis intervention assistance. Time spent by law enforcement per request for assistance will be reduced by 20% by Year 1, 35% by Year 2 and 50% by Year 3. Years 4 and on are expected to maintain a minimum reduction of 50% of the baseline.

Through our cooperative agreement with the Sheriff’s department and other municipal departments in the county we will be able to track a decrease in pediatric mental health crisis calls. Currently the Sheriff’s department answers numerous calls for mental health crises in children, and these calls place an undue burden on law enforcement personnel who often do not have the training for these types of encounters. In 2019 alone, Sheriff’s officers placed 31 children under 18 on 5150 holds and an additional 18 on “incurable” youth holds (in which a child is repeatedly refusing to obey parents, school authorities, legal authorities, and posted legal standards). This does not count other police departments, nor does it include a significant segment of our population aged 18-21.

When our MRT can evaluate and transport these children in crisis, they can be spared the trauma of an ambulance ride and emergency room hospitalization, and once the child has been our client we may be able to avoid involving law enforcement if future episodes occur.

3.a.iii. Improvements in participation rates in the Program(s).

Objective 6: Increase program participation rate based on number of children/youth served and maximum occupancy for the Crisis Residential Treatment facility to 60% in Year 1, 70% by Year 2 and 80% by Year 3. Years 4 and on, are projected to hold at 80% and/or show greater participation as indicated by higher occupancy percentage.

Under-recognition and utilization of mental health services among children and adolescents is an ongoing issue in our county as it is in the country as a whole. With greater and earlier identification of mental health issues, participation in our program and utilization of our and other resources in the county will increase over time. With approximately 35,000 people below 21 years of age in Humboldt County and an estimated one in ten who have a significant mental health disability, the

disease burden in the county is not represented by the handful of transfers out to psychiatric facilities. Once our facility is established, we will be able to assess and help many more children than are currently accessing services in Humboldt and in the surrounding counties.

3.a.iv. Children or Youth) and/or their family members' satisfaction with the crisis services the Children and Youth received.

Objective 7: Increase child and youth and/or their family members/caregivers satisfaction with crisis services received. The target for all years is 90% or greater satisfaction rate.

At the close of the admission and then at one week, one month, and three months after admission we will monitor patient satisfaction with follow-up encounters. More importantly, we will utilize standardized screening tools to follow sequential metrics of mood and stability at admission, discharge, and at set intervals after discharge.

We have entered into conversation with and intend to partner with academic psychologists through Humboldt State University to track treatment outcomes in order to determine best practices for all patients at the Crisis Center. We will systematically track the child's adjustment to school and home, social skills, and protective factors associated with resilience. Using standardized measures of mental health such as the Child Behavior Checklist, the Hamilton Anxiety Scale (HAM-A), Beck Depression Inventory (BDI), the Barrat Impulsiveness Scale (BID), the Mindful Attention Awareness Scale (MAAS), and other measures specific to the child's age and diagnosis, we will be able to measure baseline and post-treatment mental health at the one week, one month, and 3 month intervals. This will help in predicting and preventing recurrence of mental health crises. By establishing rigorous data collection and statistical analysis on cases from day one we will be able to demonstrate best practices and evolve our therapeutic approach over time to optimize outcomes.

3.a.v. Number of Crisis Residential Treatment and Crisis Stabilization beds; and/or number of Mobile Crisis Support Teams including the number of Mobile Crisis Support Team vehicles and staff added.

To start, our facility will have 12 patient beds with some flexibility in utilization. We will offer 3 crisis stabilization beds and 9 Crisis Residential Treatment beds. Our facility is large enough that we can maintain 2 additional beds to expand to 14 total beds as needed in the future. We will have 24/7 availability every day of the year. In addition we will have a vehicle and sufficient staff for a MRT both to see young patients in the field and to transport patients to our facility without the trauma of an ambulance. We will staff the MRT as needed from our facility staff, with one therapist or psych NP and one medical assistant available for triage and mobilization as needed.

Reports will be produced showing the number of crisis residential and crisis stabilization beds used and average length of stay. Additional reporting will be produced totaling the number of requests for assistance for the MRT and the time between call for assistance and Team arrival.

3.a.vi. Number of Children and Youth within the Target Population(s) being served and other Children and Youth who may be being served.

There are 132,000 people in Humboldt County, of whom approximately 27,700 are in our target population age range. In addition there are 28,000 people living in Del Norte, and 12,500 in Trinity County. Approximately 21% of the population is in our service age range between 7 and 21, so our catchment area includes approximately 45,500 young people between 7 and 21.

Reports will be produced showing the number of children and youth served within the target population as well as identify any gaps in service delivery. Anticipated gaps would be a result of the demand for beds exceeding capacity.

3.a.vii. The value of the Program(s), such as mitigation of costs to the county, law enforcement, or hospitals. An example of such value is: The utilization of Crisis Residential Treatment costs “X” dollars and utilization of inpatient hospitalization would have cost “X” dollars, therefore value approximates “X” dollars.

According to Fiscal Year 19-20 data, in Humboldt County alone there were approximately 85-100 pediatric/adolescent inpatient psychiatric hospitalizations at a cost to the County of over \$600,000 in Medi-Cal match dollars (a cost matched by the State). By preventing out of county hospitalization and utilizing local services, much of that expense would be redirected in-county to our crisis residential facility.

Law Enforcement costs for responding to suicidal, violent, or out of control youth are hard to estimate, however they are significant. In 2019 alone the county Sheriff department engaged and took into custody close to 50 children under 18, which does not count the older youths or those taken into custody by other law enforcement personnel with the Eureka, Arcata, Fortuna, Rio Dell police departments or the California Highway Patrol. Moreover, for every child taken into custody there are multiple calls for children and adolescents in crisis who need crisis care but do not reach the level of a 5150 hold.

A 2019 paper in the journal Pediatrics (DeKalb et al, Apr 2019) found that “between 2011 and 2015, there was a 28% increase in youth psychiatric ED visits in the United States. A large increase in suicide-related visits (by 2.5-fold) was observed among adolescents (4.6–11.7 visits per 1000 US youth). Although psychiatric ED visits were long (51% were ≥ 3 hours in length), few (16%) patients were seen by a mental health professional during their visit.” These visits have a significant impact on available beds in our Emergency Rooms, and a severe impact of cost as many children spend 72 hours on a psychiatric hold with very few medical interventions.

The Humboldt County Office of Education (HCOE) currently spends over 1 million dollars per year housing children out of county, and at times out of state, at residential placements for psychiatric or behavioral causes. Many of those expensive and isolating placements could be avoided with a brief Crisis Residential stay, access to appropriate long-term services, and subsequent re-integration into their own school district. By coordinating educational and psychological resources, working with the student’s family, and keeping the student local, we will be able to achieve better outcomes for far less money.

Monetary Program value will be determined and reported, factoring mitigated costs to the county, law enforcement, and hospitals.

3.a.viii. The percent of Children and Youth who receive a crisis service who, within 15 days, and within 30 days, return for crisis services at a hospital emergency department, psychiatric hospital, detainment center, juvenile hall or jail.

Ideally no children who have been through our program will return to crisis care within 15 to 30 days, or at all. We wish to prevent such relapses by optimizing a system in which continuity of care during and post-crisis is prioritized, and ongoing services and monitoring are provided as an integrated element of recovery. In order to ensure best practices, we will follow outcomes one week, one month, and three months out from admission through phone and/or in person interviews, as well as the administration of mental health assessment tools as indicated.

Objective 8: Decrease the number of Children and Youth who receive crisis services who, within 15 days, return for crisis services at a hospital emergency department, psychiatric hospital, detainment center, juvenile hall or jail by 70 % by the end of Year 3.

Objective 9: Decrease the number of Children and Youth who receive crisis services who, within 30 days, return for crisis services at a hospital emergency department, psychiatric hospital, detainment center, juvenile hall or jail by 60 % by the end of Year 3.

Objective 10: Decrease the number of Children and Youth who receive crisis services who, between 31 days and one year, return for crisis services at a hospital emergency department, psychiatric hospital, detainment center, juvenile hall or jail 50 % by the end of Year 3.

4. Project is, or will be Ready, Feasible, and Sustainable as follows: 4.a. A detailed plan and timeline, including supporting documentation if available, with the steps needed to complete the Project as further delineated below and provide evidence demonstrating the ability to meet the timeframes set forth in Section 7319(a)(4)(H) of the regulations.

There is one property which would meet our needs currently on the market in Humboldt County, a 19 bedroom, 24 bath, 9,547 square-foot facility at 8028 Centerville Road in Ferndale, overlooking the Pacific Ocean. Previously a wedding venue, it is currently closed but could easily be adapted for our purpose. We could readily remodel the facility to be ADA compliant and safe for our patients. The purchase of the property would be completed within 8 months of award. The Crisis Center will begin receiving youth and providing services within 21 months of award.

4.a.i. Address, renderings and/or floor plans of Project site, if available. If a Project site has not been identified, provide a description of the process, criteria for selection, and timeline for identification of a Project site that will be utilized.

The proposed location of the Crisis Center is 8028 Centerville Road in Ferndale, California. This property is remote enough to create a unique and private healing environment, yet it is only 45 minutes from Providence/St. Joseph Hospital in Eureka. The home is equipped with an industrial kitchen and ample dining and common spaces to easily accommodate 10-14 patients, 3-7 staff members, and family when appropriate. **(See Exhibit A for pictures and floorplans)**

4.a.ii. Necessary approvals and processes to complete the Project, and the names and roles of all responsible entities. This includes, but is not limited to, County Board of Supervisors' approval, Request for Proposals, architectural and construction contracts, California Environmental Quality Act (CEQA) compliance, building permits, and conditional use permits, as applicable.

- County Board of Supervisors' approval: Humboldt County Children's Behavioral Health has County CAO approval for this project granted through a pre-grant approval process. Responsibility-County Behavioral Health (estimate within 45 days following award)
- Finalizing non-profit designation. Responsibility-Lost Coast Children's Crisis Residential Treatment Center (estimate 4-6 months following award)
- Add Lost Coast Crisis Residential Treatment Center, a nonprofit agency, as designated grantee. Responsibility-County Behavioral Health. (estimate 4-6 months following award)
- Purchase offer/acceptance and close of escrow. Responsibility-designated grantee (estimate within 6-8 months following award)
- Request for proposals for architectural and construction contracts to retrofit, make ADA compliant, and install solar panels and solar water heating. Responsibility-designated grantee (estimate within 6-8 months of award)
- Select contractor(s), and draft and execute contracts. Responsibility-designated grantee (estimate within 9 months of award)
- Request California Environmental Quality Act (CEQA) compliance, building permits, and conditional use permits. Responsibility-designated grantee (estimate within 6-9 months of award). Unlikely to cause delay as already a commercial building in use.
- Execute lease with Lost Coast Crisis Residential Treatment Center, a nonprofit agency. Responsibility-County Behavioral Health and designated grantee (estimate 9 months following award)
- Purchase MRT Vehicle. Responsibility-County Behavioral Health (estimate 12-20 months following award, to be purchased shortly before program becomes operational)
- Receive CCRP license from CDSS as a standalone children's crisis residential treatment facility as well as Medi-Cal Certification from DHCS. Responsibility-County Behavioral Health and designated grantee. (estimate 14-20 months following award, timeframe influenced by property acquisition and construction timeline)
- Execute Service provider contract with Lost Coast Children's Crisis Residential Treatment Center. Responsibility-County Behavioral Health and designated grantee. (estimate one year following award)

4.a.iii. Key milestones, in the future and completed to date, including projected or actual Project start date (i.e., date of purchase, renovation/construction or lease), Project end date (i.e., date of occupancy), and projected start date of services to Target Population(s).

Key milestones completed to date include: commitment between County and Lost Coast Crisis Residential Treatment Center to pursue opportunity to create a Children's Crisis Residential Treatment Program, commitment from Lost Coast Crisis Residential Treatment Center to finalize 501(c)(3) designation, site identification, and preliminary determination of renovations and construction needed.

Projected close of escrow is within 6-8 months following award. Construction is projected to be

complete within 16 months of award. All fixtures, furniture, supplies, and equipment in place within 17 months of award. Facility is expected to be staffed and all training complete within 20 months of award. Facility expects to be fully operational, serving the target population within 21 months of award. The Lost Coast Children's Crisis Residential Treatment Center anticipates 80% occupancy or greater within 25 months of award.

4.a.iv. The plan and current status for staffing the Program(s).

The facility will be staffed by a Medical Director, Evan Buxbaum MD, and 3 psychiatric or pediatric nurse practitioners trained in pediatric mental health management. We already have all 3 on board with a commitment to staff the facility. We will also have a staff of 4-6 therapists, all licensed as LCSW, MFT or psychologists, who will run individual, group and neuromodulation therapies as well as taking clinic days in our Eureka office for continuity patients. We are still at least a year out so we have not yet hired these professionals, however there is already interest from in-county therapists in employment. We will also hire medical assistants and support staff including 2 kitchen staff, 1 groundskeeper and 2 environmental services workers from our community. We embrace an equal opportunity hiring policy without regard to race, sex, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, or any other characteristic protected by federal, state or local law. We will seek to hire a diverse and inclusive workforce that represents the diversity of our community.

4.a.v. Potential challenges that may affect the timeline to start providing services and how those challenges will be mitigated, including but not limited to, site identification and acquisition, contracting, local use permit process, County Board of Supervisors' approval, CEQA process, Building Code compliance, selection of service provider, licensure, certification, loss of a site, delays in local (city and/or county) approvals, community opposition issues, loss or reduction in leverage funding, and increased Project costs, as applicable.

The site identified is a specialty property and has been on the market for approximately 2 ½ years. The property has had a handful of showings, largely due to the specialty nature of the home and remote location. The probability of being able to purchase the property is high. In the event we are unable to purchase this specific property, and alternate location is possible. Several other smaller homes are currently on the market and have strong potential. The opportunity to build exists as well. Both alternate solutions would be possible without the need for additional funding. Because our timeline is long and already factors in unforeseen delays, any challenges experienced would have a minimal effect on project completion or the subsequent delivery of services to children and youth.

The home was originally constructed to code in 1983, and within the last ten years the home underwent an extensive, permitted remodel. The home has been used for commercial purposes and has a County Use Code Description of Commercial, Recreational/Resort. Because of the original date of construction, coupled with the recent remodel and property use designation, this site is ideal for this project. We have discussed this proposed project with our local CEQA official and as there will be no new construction, only modifications to an existing structure, we should not face delay in CEQA certification. Similarly, local use permits, Coastal Commission concerns, and building code compliance should not pose significant barriers to project completion. Our site is

situated on acreage, out of visual or acoustic range of any neighbors, which should decrease any opposition from the local community.

4.b. Describe and provide evidence of community outreach and engagement efforts for the proposed Program(s) in the vicinity of planned Project site, as applicable.

Since launching our effort to establish a place for young people in crisis to get the help they need, there has been tremendous support from the community. Our community is well aware of the mental health crisis our children are experiencing, both historically and now following a year of isolation and trauma secondary to the COVID crisis. We have discussed this facility in depth with our colleagues in law enforcement, education, healthcare, and child welfare, and the consensus can best be summed up with Sheriff William Honsal's response: "A juvenile/young adult mental health facility is exactly what we need for Humboldt County." Roberta Luskin Hawk, the CEO of Providence/St. Joseph Health Humboldt County wrote, "this sounds incredible."

We have working relationships with all of the major healthcare providers in the county, including St. Joseph Health and Open Door, as well as Redwood Pediatrics in Fortuna. Humboldt County Office of Education and the head of the Humboldt-Del Norte Special Education Local Plan Area (SELPA) have signed on to contribute the educational piece. The Chair of the Psychology Department at Humboldt State University has enthusiastically supported the project and has offered to work with us by providing graduate student interns and assist with data collection and analysis.

We have the support of the psychiatrist for the Redwood Coast Regional Center, Dr. Richard Goldwasser, who treats our children with both developmental disabilities and mental health issues. Having seen our plan of care he feels it is "a great program" and will both refer to us and support our efforts. We have received enthusiastic support from Two Feathers Native American Family Services, a local mental health provider to our indigenous communities. We have also begun conversations with The Bear River Branch of the Rohnerville Rancheria and the Yurok tribe about a memorandum of understanding to ensure Indigenous youth receive culturally appropriate and integrated care during and after residential placement with us.

4.c. Identify the service provider or describe the plan for identifying one addressing the following:

The service provider will be the Lost Coast Crisis Residential Treatment Center.

4.c.i. If a service provider that will operate the Program(s) has already been identified, provide a description of the written plans that are in place for how the services will be provided. These include: Description of range of services offered.

We will offer evidence-based practices in acute pediatric and adolescent mental health care through clinical services which will include:

- A thorough psychological and medical intake within 24 hours of admission that will include comprehensive neuropsychological testing. The child's diagnosis will guide treatment protocols and allow for follow up data collection to track healing and prevent reoccurrence. All youth in both the crisis stabilization and the crisis residential cohorts will receive this evaluation.

- Neurodevelopmentally appropriate, trauma-informed therapy for children and adolescents up to 21 years of age. This will include cognitive behavioral therapy (CBT), mindfulness based CBT, Dialectical Behavior Therapy (DBT), interpersonal therapy, Parent-Child Interaction Therapy (PCIT), and other evidence-based modalities appropriate to the diagnosis and age of the patient.
- Group Therapy with an age appropriate cohort.
- Integrated onsite psychiatric and /or pediatric nurse practitioners, with diagnostic and medication oversight provided by a board-certified pediatric/adolescent psychiatrist. When appropriate, we will initiate or adjust psychiatric medication, always with an eye toward minimizing medical intervention and weaning off medication when appropriate.
- Evidence-based nonpharmacological interventions such as:
 - Meditation/mindfulness integrated with cognitive behavioral therapy
 - Neurofeedback: biofeedback which uses electroencephalogram information to provide real time displays of brain activity to teach the self-regulation of brain function.
 - Repetitive transcranial magnetic stimulation, a noninvasive mode of brain stimulation that uses a focused magnetic field to send an electric current to targeted regions of the brain. It has recently been FDA approved for drug resistant depression and obsessive compulsive disorder.
 - Eye Movement Desensitization and Reprocessing (EMDR), a noninvasive method of processing trauma in which the traumatic event is processed while providing bilateral stimulation. EMDR has shown efficacy comparable to cognitive behavioral therapy for trauma and can be readily utilized in children.
 - Virtual reality therapy, an exciting new field of immersive therapeutic programs which have shown efficacy in the treatment of phobias as well as the induction of empathy in patients with callous-unemotional qualities.
 - Equine therapy (if facilities allow), an evidence based intervention that incorporates horses into the treatment of adolescent depression, anxiety, and post-traumatic stress disorder.
 - Art and music therapy
- Integrated case management services to help support and stabilize the child's home environment, specifically the people who will care for and engender resilience in the child after discharge. This may include family counseling sessions, addressing situational stressors such as food scarcity and homelessness when they are present, or referral for therapy or substance use disorder counseling for caregivers.

4.c.i.2. Information about the service provider including expertise in mental health treatment, purpose, goals, and services of the organization.

The Lost Coast Crisis Residential Treatment Center, a pending 501c3 (p), an independent, not-for-profit, stand-alone entity was established specifically to bring compassionate, trauma-informed residential mental health care to the young people of the North Coast. Founder, Evan Buxbaum MD MPH FAAP has been a practicing pediatrician since 2004, serving Humboldt County since 2010, with a special interest in trauma-informed care and psychiatric treatment. Lost Coast Children's Crisis Residential Treatment Center was formed in partnership with a dedicated group of pediatric, psychiatric, and family practice nurse practitioners. Of our 3 core nurse

practitioners, one is already trained as a psychiatric NP and the other two have committed to adding psychiatric nurse practitioner training to their skill set in order to be part of this project.

We have adequate medical assistants and support staff in Humboldt. Pediatric trained therapists are a limiting factor, however Humboldt State University has graduate programs in counseling and social work from which we can hire therapists. We have some students already in mind who would consider coming on board for this project. We have built in a training budget to specifically train our personnel in mindfulness based cognitive therapy, trauma-informed care, neurodevelopmental trauma, play therapy, and other skills to add to their ability to care for youth in crisis. We will contract with a board certified pediatric and adolescent psychiatrist for telepsychiatry, and we are looking to partner with Stanford University's child and adolescent telepsychiatry service.

4.d. For proposed crisis stabilization or crisis residential treatment programs, provide a plan for obtaining Medi-Cal certification.

The Medi-Cal certification process runs concurrently with the contract process. The timeline varies depending on provider needs, but typically takes at least six months. Upon notification of onboarding, County Quality Improvement (QI) reaches out to the provider to explain the certification process and confirm the provider's name, address, national provider identifier (NPI), provider type, program description, and types of services to be contracted. QI then submits a Provider File Update form to the California Department of Health Care Services (DHCS). DHCS assigns a state provider number to the organizational provider site, which will be used for certification and for Medi-Cal claiming.

QI reviews the DHCS certification protocol with the organizational provider and provides any needed assistance to prepare for certification. The protocol includes requirements for posted brochures and notices, fire safety, physical plant, policies and procedures, head of service, licensed staff, and other specialized criteria if the provider will offer crisis stabilization, medication support, day treatment, or day rehabilitation services. QI provides copies of all required brochures and notices for posting, reviews the provider's policies and procedures and requests any needed additions or changes, ensures the site has a current fire clearance, completes an on-site visit at the location where services will be delivered, credentials the head of service, and facilitates the practitioner enrollment process for staff who will provide services to county clients. QI assists with correcting any identified deficiencies until all DHCS certification protocol criteria are met.

When all DHCS certification protocol criteria are met and the contract is fully executed, QI submits a Medi-Cal Certification and Transmittal to DHCS to initiate the Medi-Cal activation of the state provider number. QI also submits documentation to the Claims Data Management department so that Medi-Cal claiming can be completed under this state provider number. Certification remains in place for three years, at which time QI completes a re-certification of the site. Certification as a Medi-Cal provider is contingent upon compliance with all pertinent federal, state, and local laws and regulations.

4.e. For proposed crisis residential treatment programs, provide a plan for obtaining a license and program approval to operate as a Children's crisis residential program as defined in Health and Safety Code Section 1502, subdivision (a)(21).

If we are awarded this grant we will begin immediately to apply to be licensed as a **crisis residential treatment program** pursuant to Section 1562.02 and approved by the State Department of Health Care Services, or a county mental health plan to which the State Department of Health Care Services has delegated approval authority, to operate a children’s crisis residential mental health program approval pursuant to Section 11462.011 of the Welfare and Institutions Code, to serve children experiencing mental health crises as an alternative to psychiatric hospitalization. This will include application to County and State mental health licensing boards, as well as retrofitting the existing structure to be in compliance with ADA and other federal and State building requirements.

4.f. Provide a Project budget, utilizing “Summary of Funding Request” (Form-3); “County Grant Amounts Worksheet” (Form-4); and “Sources and Uses” (Form-5). In addition, provide the following:

Table 1: Proposed Use of Funds

Lost Coast Ranch	\$4,800,000
LCR Retrofit	\$250,000
Furnishings/Equipment	\$100,000
Information Technology	\$58,500
Program Startup Costs	\$690,951
Mobile Response SUV	\$60,000
2y vehicle maintenance	\$2,400
MRT salaries 1 yr	\$160,160
Total Budget	\$6,122,011

4.f.i. Proposed uses of Grant funds in line item detail with a budget narrative. If working capital for Program startup or expansion costs are being requested, include a separate line item budget detailing those costs.

The bulk of the grant will be spent on purchasing this one of a kind facility in Humboldt County, with ample land and sufficient space to expand up to 16 residents at a time if needed in the future. The property is listed at \$4,800,000. Some furniture is included, but we will also need to buy some furnishing and transform some of the existing bedrooms into therapy spaces, as well as the purchase of some therapeutic tools such as neurofeedback equipment. All told this should be about \$100,000 for 3 therapeutic spaces, switching out some furniture for safer and sturdier versions, and the purchase of furniture for the dining hall.

We will have to spend approximately \$150,000 to retrofit the facility to be ADA compliant, with therapeutic and common spaces and at least 3 rooms on the 1st floor wheelchair accessible. We will also have to install some security measures to protect the safety of our young guests, including upgrades on exterior fencing, window and door locks, and secure cabinetry in the kitchens, the medication room, etc. We also intend to seek carbon neutral certification, including an energy efficiency retrofit and the installation of a minimum of 6kW of solar panels, grid tied with battery backup, which we expect will run \$80-100,000. In total we expect renovations, retrofits and energy efficiency and solar upgrades to total approximately \$250,000.

Our information technology budget will include the purchase of an Electronic Medical Record (EMR) system, for about \$30,000 for 7-8 providers, laptops for all providers at \$2000 each, and a security system with cameras in common spaces and hallways. All told we expect this expense to come in just under 1% of the total budget. The vehicle is estimated at \$60,000, with 2 years of maintenance contract at \$2,400. One year of MRT salary for a therapist or NP and an assistant, available 100-120 hours a week, will run approximately \$160,000, considering that when not activated those staff members can be active in other tasks at the Center.

The rest of the funds will go toward Startup. As outlined in Table 2, we will cover expenses for the first three months including overhead and salaries, and we will also offer advanced training in pediatric therapeutic modalities.

Table 2: Startup Costs

	Number	Hourly	Weekly	Monthly	3 Month Total
Psych NP	3.00	\$55	\$6,600	\$28,600	\$85,800
MA	8.00	\$18	\$5,760	\$24,960	\$74,880
Overnight stipend	3.00	\$120	\$2,520	\$10,920	\$32,760
Exec./Medical Director	1.00			\$12,500	\$37,500
Telepsychiatry	1.00			\$10,000	\$30,000
Cook	2.00	\$22	\$1,760	\$12,133	\$36,399
Grounds	1.00	\$18	\$720	\$3,120	\$9,360
Housekeeping	2.00	\$15	\$1,200	\$5,200	\$15,600
LCSW/MFT/psychologist	3.00	\$37	\$4,440	\$19,240	\$57,720
Billing/ back office	1.00	\$22	\$880	\$3,813	\$11,440
Sum				\$130,486	\$391,459
Payroll/expense				\$182,681	\$548,043
Equipment/lease				\$6,000	\$18,000
Food			\$3,200	\$13,867	\$41,600
Gas/Elec/Water				\$3,000	\$9,000
Malpractice Insurance				\$530	\$1,589
Business insurance				\$190	\$570
IT				\$500	\$1,500
EMR				\$2,500	\$7,500
Licence/Compliance				\$100	\$300
Housekeeping Supplies				\$300	\$900
Miscellaneous				\$150	\$450
CPA				\$500	\$1,500
Training				\$20,000	\$60,000
TOTAL				\$230,317	\$690,951

4.f.ii. A description of any leveraged public and/or private funding other than the Grant that will be used to complete the proposed Project. Include the amount of funding and the current status of the funding. Attach documentation, if any, such as letters describing commitment of funding or the status of consideration from the other funding sources or other similar documentation acceptable to the Authority.

We have been encouraged to seek local support from the Redwood Memorial Foundation, the St. Joseph Eureka Hospital Foundation, the Humboldt Area Foundation, the Independent Practice Association, and the McClean foundation. In the event of a capital budget shortfall from this grant, we will approach all of the above as well as other community organizations to make up the difference. We will pursue funding opportunities that support the System of Care expansion offered through the SAMHSA and MHSOAC. Other potential sources of complimentary funding include: Mental Health Block Grant and the Mental Health Service Act.

4.f.iii. An explanation of the Grantee’s internal process to ensure the Grant funds will only be used for eligible costs as described in Section 7315 of the regulations.

The County of Humboldt is experienced at managing Federal, State and Foundational grant awards. We understand each grant has varied specifications and requirements. The County has strong internal controls and segregates duties ensuring grant requirements are adhered to, and projects are completed in a timely and cost-effective manner. Grant terms, conditions, and regulatory guidance have been reviewed and eligible project costs are understood.

Written policies and procedures are in place addressing: who can approve grant spending, how labor is recorded and charged, procuring goods and services, and drug-free workplace requirements. This grant will be continuously monitored, account reconciliations will be timely, all property will be safeguarded from loss, damage or theft and supervisory review and approval, as well as, adequate documentation will be needed for all expenditures.

4.g.i. An operating budget that details annual operating costs projected for the proposed Program(s).

	Number	Hourly	Weekly	Monthly	Yearly
Psych NP	3.00	\$55	\$6,600	\$28,600	\$343,200
MA	8.00	\$18	\$5,760	\$24,960	\$299,520
Overnight stipend	3.00	\$120	\$2,520	\$10,920	\$131,040
Exec./Medical Director	1.00			\$12,500	\$150,000
Telepsychiatry	1.00			\$10,000	\$120,000
Cook	2.00	\$22	\$1,760	\$12,133	\$145,600
Grounds	1.00	\$18	\$720	\$3,120	\$37,440
Housekeeping	2.00	\$15	\$1,200	\$5,200	\$62,400
LCSW/MFT/psychologist	3.00	\$37	\$4,440	\$19,240	\$230,880
Billing/ back office	1.00	\$22	\$880	\$3,813	\$45,760
Sum				\$130,486	\$1,565,836

Payroll/expense				\$182,681	\$2,192,170
Equipment/lease				\$6,000	\$72,000
Food			\$3,200	\$13,867	\$166,400
Gas/Elec/Water				\$3,000	\$36,000
Malpractice Insurance				\$530	\$6,355
Business insurance				\$190	\$2,280
IT				\$500	\$6,000
EMR				\$2,500	\$30,000
Licence/Compliance				\$100	\$1,200
Housekeeping Supplies				\$300	\$3,600
Miscellaneous				\$150	\$1,800
CPA				\$500	\$6,000
TOTAL				\$210,317	\$2,523,805

4.g.ii. A description of new Program funding source(s) with amounts and cash flow projections and/or how existing funding will be redirected to provide ongoing support and sustainability for new and expanded services for the term of the useful life of the Project. Include estimated useful life of the Project. The useful life of this project is a minimum of twenty years, however ideally it will become a permanent piece of the spectrum of services we offer our community's youth.

The useful life of this project is a minimum of twenty years, however ideally it will become a permanent piece of the spectrum of services we offer our community's youth.

During the past year, \$600,000 has been spent by the county to place children and adolescents (under 18- the number is larger given our inclusion of patients up to 21 years old) in psychiatric hospitalization. Over \$1,000,000 was spent last year by HCOE on residential placements out of county. Both County Behavioral Health and the Office of Education have committed to ongoing financial support of this facility, as the \$600,000 the County pays annually in Medi-Cal match for out of county hospitalizations could be utilized to pay for local Crisis Stabilization and Crisis Residential services.

The facility itself should be self-sustaining based on billing both for MediCal patients through State and County reimbursement and for private pay or patients with private insurance. Given the payer mix for youth in our community we anticipate 70/30 Medical to private payer mix. For MediCal patients in our Crisis Residential Treatment, in addition to the \$416.30 per diem fee, we anticipate billing for Targeted Case Management ((\$5.67 per minute) at up to 90 minutes per day as well as Medication Support (\$8.85 per minute), which will go toward our telepsychiatry fees and on-site medical supervision, which we believe will be paid above the per diem fee. In addition, Crisis Stabilization bills separate from Crisis Residential at \$93.05 an hour, averaging 6-8 billable hours for an average of 1-2 youth a day. Room and board are not currently being reimbursed for Children's Crisis Residential Treatment, however at a recent Behavioral Health Directors meeting Assembly Bill 226 was discussed, which may stipulate reimbursement for room and board at CCRT's starting in 2022, so we included that reimbursement as well. (Caveat- exact billing fees

are hard to verify so we are working with the best data we could find. Our budget and staffing is flexible and will adjust to reimbursement rates, and there is considerable support in our community for this facility so we can also seek funding from our local foundations to cover any shortfalls.)

Income	Income	Beds	Daily	Monthly	Yearly
Per Diem- MC	\$416	7.00	\$2,914	\$88,637	\$1,063,647
Per Diem- Private	\$850	3.00	\$2,550	\$77,563	\$930,750
Crisis Stabilization	\$930	2.00	\$1,860	\$56,575	\$678,900
Medication Support			\$797	\$24,242	\$290,905
Targeted Case Management			\$340	\$11,057	\$132,678
Room and Board	\$40	12.00	\$480	\$14,600	\$175,200
Total				\$272,674	\$3,272,080
At 80% capacity				\$218,139	\$2,617,664

4.g.iii. Documentation such as funding letters, minutes from the County Board of Supervisors’ meeting evidencing approval of the budget, or other documentation acceptable to the Authority. If approval has not been obtained at the time of Application, provide a detailed plan for obtaining such approval.

This application, including the budget, has been reviewed and approved by the County Behavioral Health Director. In addition, the Director of the County Department of Health and Human Services along with the County Administrative Office has issued approval to submit this funding request. Due to time constraints, acquiring Board approval prior to submission is not possible.

Upon funding award, County Behavioral Health will seek formal approval from the Board of Supervisors. This process is expected to be completed within 45 days. Over the course of the 45 days, the project and budget will be vetted by the Behavioral Health Fiscal Department, County Legal Department, and County Administrative Office. A Staff Report recommending grant acceptance, including any applicable budget elements will be presented to the County Board of Supervisors along with a Resolution. Verification in the form a signed Certified Staff Report and signed Resolution confirming Board acceptance, will be provided to the Authority upon completion.

4.h Provide documentation indicating Lead Grantee’s creditworthiness and satisfactory financial capacity in the most recent local government credit rating or the most recent Audited Financial Statement, which may not contain a Going Concern Qualification. See **Exhibit E** for 2019 Management Letter, Financial Statements and Single Audit.



Behavioral Health
 Emi Botzler-Rodgers, MFT, Director
 720 Wood Street, Eureka, CA 95501
 phone: (707) 268-2990 | fax: (707) 476-4049

ATTACHMENT A

Application for Investment in Mental Health Wellness Grant Program for Children and Youth

Application Certification:

I, Emi Botzler-Rodgers, as Behavioral Health Director, an authorized officer of the County of Humboldt, Department of Health and Human Services, certify that, to the best of my knowledge, the information contained in this application is true and correct to the best of my knowledge and belief, and I understand that any misrepresentation or material omissions may result in the cancellation of the Grant and other actions permitted by law and the Grant Agreement. County of Humboldt, Department of Health and Human Services will cooperate in providing information and/or documentation, including at the time of site visits, to assist the Authority in consideration of the Application.

Emi Botzler-Rodgers

 By (Print Name)

Emi Botzler-Rodgers, MFT

 Signature

Behavioral Health Director

 Title

1/27/2021

 Date



ATTACHMENT B

LEGAL STATUS QUESTIONNAIRE FOR COUNTIES AND PUBLIC AGENCIES

1. Financial Viability

Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response: **NONE**

2. Fraud, Corruption, or Serious Harm

Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment.

Response: **NONE**

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charges complaint or filing, and the outcome.

**8028 Centerville Road, Ferndale, California
Pictures and Floorplans of Project Site**

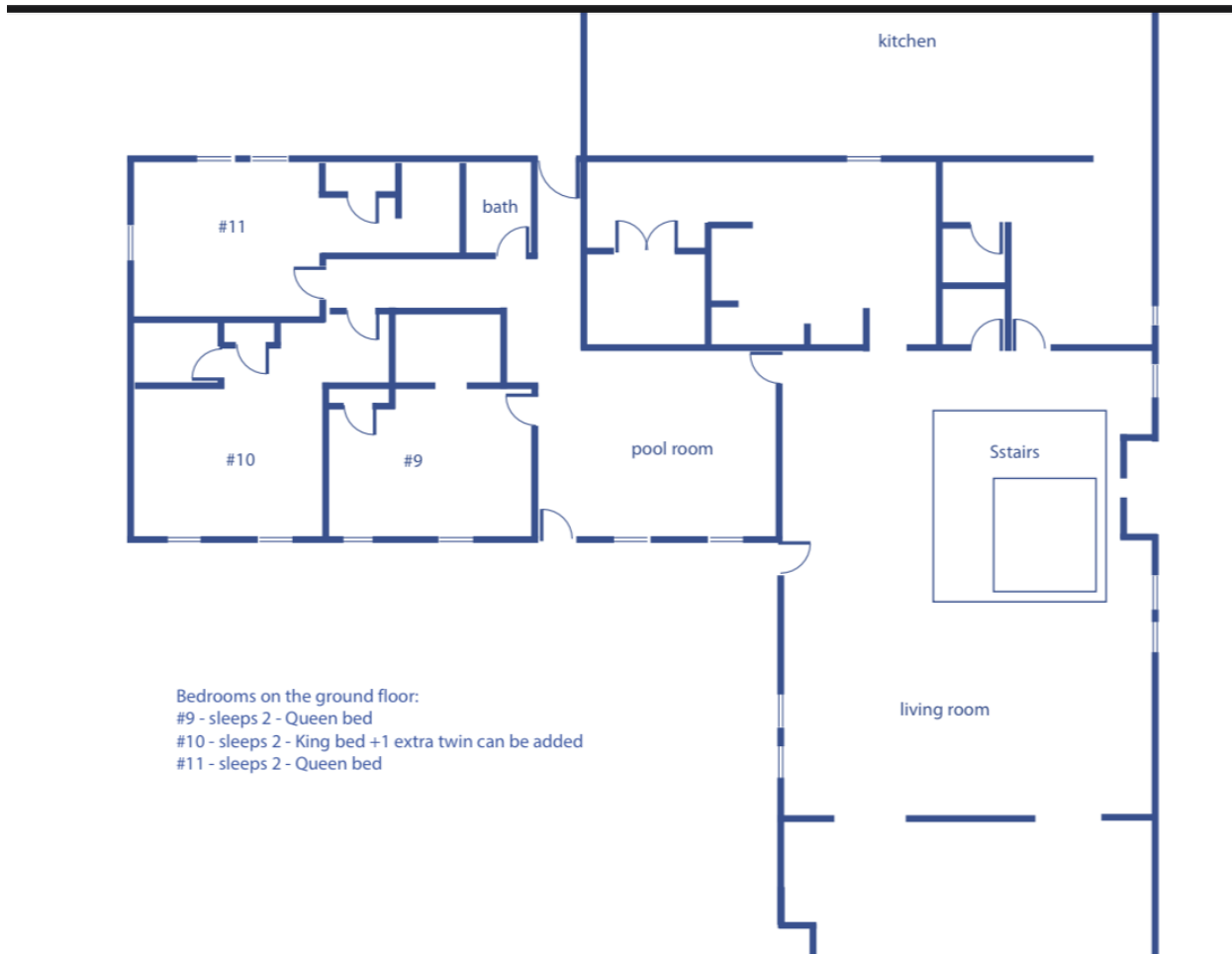
Exterior Photo of Proposed Crisis Residential Treatment Facility



Aerial View of Property



Ground Level - Floor Plan



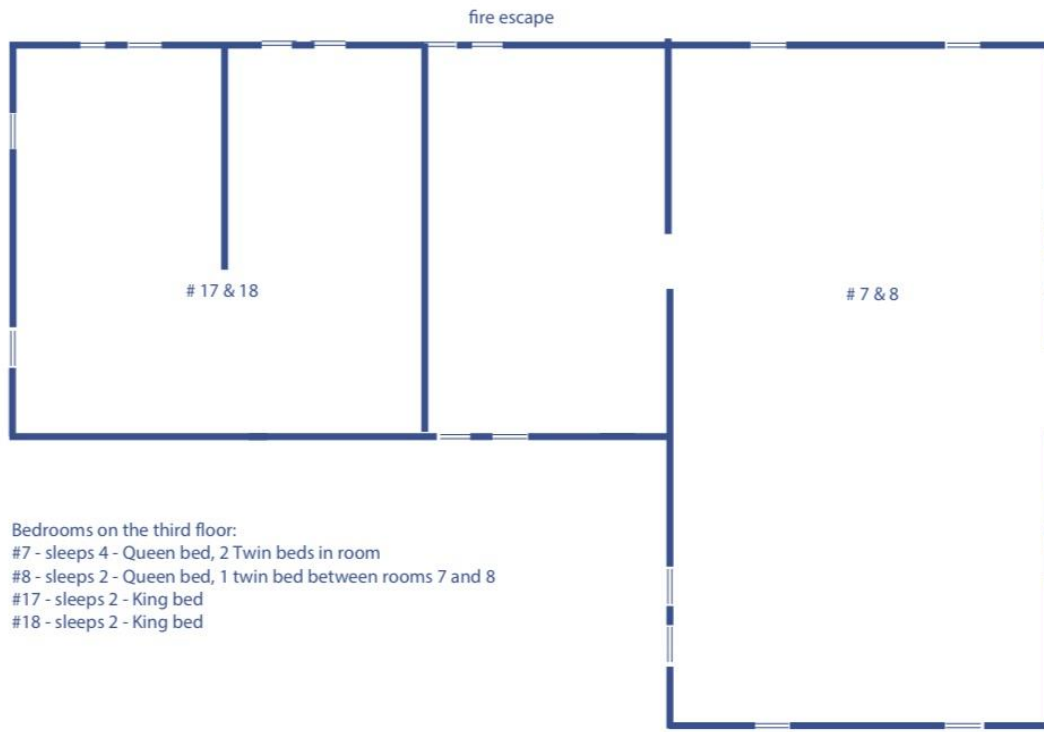
Bedrooms on the ground floor:
#9 - sleeps 2 - Queen bed
#10 - sleeps 2 - King bed +1 extra twin can be added
#11 - sleeps 2 - Queen bed

2nd Floor - Floorplan



- Bedrooms on the second floor:
- #2 - sleeps 2 - King bed + 1Queen can be added
 - #3 - sleeps 2 - Queen bed
 - #5 - sleeps 2 - Queen bed
 - #6 - sleeps 2 - Queen bed
 - #12 - sleeps 2 - King bed +1 extra twin can be added
 - #13 - sleeps 2 - Queen bed
 - #14 - sleeps 2 - Queen bed +1 extra twin can be added
 - #15 - sleeps 2 - Queen bed +1 extra twin can be added
 - #16 - sleeps 2 - Queen bed

3rd Floor - Floorplan





HUMBOLDT COUNTY SHERIFF'S OFFICE

WILLIAM F. HONSAL, SHERIFF/CORONER

CIVIL/COURTS
(707) 445-7335

MAIN STATION
826 FOURTH STREET • EUREKA CA 95501-0516
PHONE (707) 445-7251 • FAX (707) 445-7298

CUSTODY SERVICES
(707) 441-5159

January 15, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

To whom it may concern,

I am attesting that Humboldt County is in the midst of a mental health crisis with children. Humboldt County Sheriff's Office declares an intent to collaborate in the project entitled "Lost Coast Children's Crisis Residential Treatment Facility" which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority.

The Lost Coast Children's Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.

If this grant is funded, Humboldt County Sheriff's Office commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Humboldt County Sheriff's Office will commit to identifying and training staff to serve as Crisis Stabilization and Crisis Residential Treatment liaisons. Our liaisons will provide linkage to Lost Coast Children's Crisis Residential Treatment Facility staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children's Crisis Residential Treatment Facility staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems' ability to provide ongoing care once the crisis has subsided. If you have any questions as to our commitment, please don't hesitate to reach out to me.

Sincerely,

William F. Honsal, Sheriff



HUMBOLDT COUNTY PROBATION DEPARTMENT

Justice, Rehabilitation and Community Safety

Shaun Brenneman
Chief Probation Officer

January 20, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

Juvenile Division & Administration

2002 Harrison Avenue
Eureka CA 95501
707-445-7401
707-443-7139 fax

Adult Division

555 H Street
Eureka CA 95501
707-444-0600
707-445-1627 fax

Community

Corrections Day Reporting Center

404 H Street
Eureka CA 95501
707-267-9320
707-268-8353 fax

Adult Drug Court

825 5th Street
Room 304
Eureka CA 95501
707-476-2371
707-445-7787 fax

Juvenile Hall

2002 Harrison Avenue
Eureka CA 95501
707-445-7644
707-445-7426 fax

The Humboldt County Probation Department declares its intent to collaborate in the project entitled "Lost Coast Children's Crisis Residential Treatment Facility" which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority.

The Lost Coast Children's Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to, severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma. The Humboldt County Probation Department will collaborate with adolescent youth involved in the Lost Coast Children's Crisis Residential Treatment Facility.

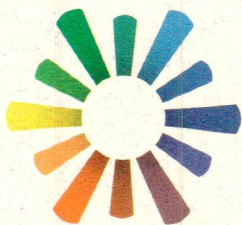
If this grant is funded, the Humboldt County Probation Department commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Humboldt County Probation officers will support Crisis Stabilization and Crisis Residential Treatment. Humboldt County Probation officers will provide linkage to Lost Coast Children's Crisis Residential Treatment Facility staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children's Crisis Residential Treatment Facility staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

Shaun Brenneman

Shaun Brenneman
Chief Probation Officer
Humboldt County Probation Department



Redwood Community Action Agency

ADMINISTRATION
Information & Referral
(707) 269-2001

January 15, 2021

COMMUNITY SERVICES
(707) 269-2052
AmeriCorps Programs
(707) 269-2047
TOOTH Program
(707) 269-2076
PACT Program
(707) 269-2013

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for
Children and Youth

ENERGY AND ENVIRONMENTAL SERVICES
(707) 444-3831
Weatherization, Ext. 204
Home Energy Assistance Program
(HEAP) Info (707) 444-3834
General Contractor
License #466777

To Whom It May Concern:

Redwood Community Action Agency is pleased to provide this letter of support for the proposed "Lost Coast Children's Crisis Residential Treatment Facility". We endorse the project's goals and objectives and intend to provide supportive services for the project which is being submitted by the Humboldt County Department of Health and Human Services to the California Health Facilities Financing Authority.

NATURAL RESOURCES SERVICES
(707) 269-2061
Landscape Contractor
License # 518874

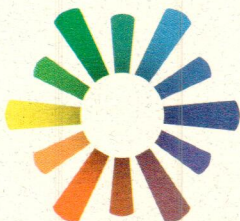
The Lost Coast Children's Crisis Residential Treatment Facility will provide a 10-bed, 24/7 crisis stabilization and referrals for treatment and that is designed to address moderate to youth experiencing a severe, mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to: severe, major depressive disorder with or without suicidality; anxiety disorder; obsessive compulsive disorder; post-traumatic stress disorder; and, developmental trauma.

AFFORDABLE RENTALS
Managed by: Rural Communities
Housing Development Corp.
(707) 826-7312

YOUTH SERVICES BUREAU
24-Hour Youth & Family Hotline
(707) 444-CARE
YSB Administration
Launch Pad TLP
Our House Emergency Shelter
(707) 443-8322
Raven Street Outreach Program
(707) 443-7099

ZURETTI GOOSBY
Board President

VAL MARTINEZ
Executive Director

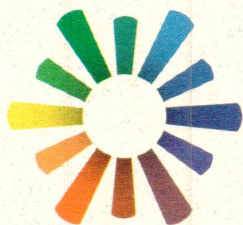


Redwood Community Action Agency

If this grant is funded, Redwood Community Action Agency commits to continuing this collaborative partnership with the Humboldt County Department of Health and Human Service and the Lost Coast Children's Crisis Residential Treatment Facility. RCAA's Youth Service Bureau will commit to identifying and training staff to support crisis stabilization services for youth and linkages to Lost Coast Children's Crisis Residential Treatment Facility staff to provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

RCAA's Youth Service Bureau (YSB) has been providing continuous services to runaway, homeless, and other at-risk youth ages 12 - 21 for the past 36 years. Services include a 24-hour crisis intervention hotline, short-term emergency shelter, transitional living programs, individual and family counseling, street outreach and drop-in services, advocacy and referral, and other related services. The program has served more than 8,000 youth since its inception in 1984.

YSB's Our House Program provides short-term emergency shelter to minor runaway and homeless youth, ages 12-17, who have left home without permission of their parents/ guardians, have been forced to leave home, or are otherwise homeless and might end up in contact with law enforcement or in the child welfare, mental health, or juvenile justice system. The length of stay is statutorily limited to 21 days. The goal of the program is to provide family reunification or ensure that youth exit to stable living condition. This is accomplished through provision of case management, counseling, life skills training, and other related services. It is the only shelter for minor youth in Humboldt County. The emergency shelter serves approximately 50 unduplicated youth and their families annually. Consistently over 90% report exiting to a safe and stable living situation, including family reunification, extended family, friends, YSB's Transitional Living Program, and Humboldt County's Child Welfare Services (CWS).



Redwood Community Action Agency

RCAA's YSB has also been the go-to for temporary housing requested by CWS for local youth in severe distress when no mental health facilities have placements available outside the county of Humboldt. On many occasions we have provided CWS with housing for at least 1-2, 24/7 staff and a youth in order to keep the child safe from hurting themselves until they can be placed in a group facility, away from any family or natural supports they may have here.

We support the joint goal of the Humboldt County Department of Health and Human Service and Lost Coast Children's Crisis Residential Treatment Facility of having staff work together with collaborative partners throughout the community and providing training to partner staff. This training will include, but is not limited to: identifying mental health crisis; de-escalation and stabilization skills; the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

In closing, we urge you to fund this very important and necessary program to serve the youth of Humboldt County.

Best Regards,

Val Martinez
Executive Director

Richard Goldwasser, M.D. and Associates
Susan Goldwasser, M.D.
Rebecca Timme, D.O.
Child, Adolescent and Adult Psychiatry
655 Redwood Highway #261
Mill Valley, CA 94941
Telephone (415) 381-1690
Fax (415) 381-1699

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

January 18, 2021

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

To whom it may concern:

I am a child and adolescent psychiatrist who has been providing consultation services in Humboldt County for over 25 years. My work has included seeing children who are developmentally disabled clients of the Redwood Coast Regional Center, as well as neurotypical kids. I have developed close working relationships with many of the outstanding therapists, educators and primary care doctors, nurses, and physician assistants in the county, who struggle daily with limited access to mental health services for children who are at risk or in crisis.

The intense challenges described by Evan Buxbaum MD are very real nationwide, but are magnified in this rural northern California community.

I strongly support this proposal to develop a multidisciplinary crisis intervention and crisis residential treatment program in Humboldt. By having local professionals and a facility, children can be treated in their community, with family involvement, which will improve the quality of care and the likelihood of longer term treatment success.

Please feel free to contact me if I can be of further assistance.

Sincerely,

Richard Goldwasser MD

January 20, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

St. Joseph Health, Humboldt County offers strong support for the project entitled “Lost Coast Children’s Crisis Residential Treatment Facility” which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority. Mental Health services on the rural North Coast of CA are a priority need and have been identified as such in our Community Health Needs Assessment for many years now. Age appropriate services, especially for children and youth, are not adequate to meet demand.

The Lost Coast Children’s Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to, severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.

If this grant is funded, St. Joseph Health, Humboldt County will collaborate with the Humboldt County Department of Health and Human Services in ongoing care coordination of mutual patients. St. Joseph Health, Humboldt County’s Emergency Rooms and clinics will utilize this community resource to refer appropriate patients in need. Our staff will refer appropriate patients to the Lost Coast Children’s Crisis Residential Treatment Facility whose staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children’s Crisis Residential Treatment Facility staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,



Roberta Luskin-Hawk MD
Chief Executive
St. Joseph Health, Humboldt County



Two Feathers Native American Family Services

1560 Betty Court, Suite A, McKinleyville, California 95519
(707)839-1933 ♦ 1-800-341-9454 ♦ Fax (707)839-1726

January 15, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

Two Feathers Native American Family Services declares an intent to collaborate in the project entitled "Lost Coast Children's Crisis Residential Treatment Facility" which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority.

The Lost Coast Children's Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to, severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.

If this grant is funded, Two Feathers Native American Family Services commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Two Feathers Native American Family Services will commit to identifying and training staff to serve as Crisis Stabilization and Crisis Residential Treatment liaisons. Our liaisons will provide linkage to Lost Coast Children's Crisis Residential Treatment Facility staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children's Crisis Residential Treatment Facility staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

Jennifer Oliphant, LCSW
Counseling and Family Wellness Program Director
Two Feathers Native American Family Services
Jennifer.o@twofeathers-nafs.org
(707)407-8566



Department of Psychology

January 20, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth
in Humboldt County

Dear Grant Selection Committee,

I strongly support the request for funding for the Lost Coast Crisis Residential Treatment Facility, which the Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority. I am prepared to partner with the interdisciplinary team working to develop, implement, and evaluate this proposed program, and wholeheartedly encourage you to fund this sorely needed project.

Humboldt County is an isolated, rural county, with among the state's highest rates of child abuse and neglect, as well as other adverse childhood experiences (ACEs). Our children experience high rates of parental substance abuse and incarceration, which lead to thousands of children each year facing mental health crises and very few resources available. Currently, foster children and others have few to no options when their parents are unable or unwilling to care for them. A residential treatment facility utilizing evidence-based practices and rigorous monitoring and program evaluation would bring our county a long way in terms of supporting children's mental health (vs. just medicating them as is often the current practice). Our goal is to restore and promote healthy development, not just reduce symptoms temporarily. I support an interdisciplinary, team-based approach to case management, as well as partnerships between university and mental health professionals.

As a Psychology Professor and Psychology Department Chair at Humboldt State University, and having focused my career on developmental psychopathology and the effects of violence on children and families, I have seen firsthand the effects of trauma on the emotional and mental health of children in Humboldt County. I am excited about the prospects of providing my consultative and data analytic resources for this endeavor. My students would be available to work in the facility, provide services, and help with the collection and analysis of program effectiveness data. Once the facility is operational, HSU graduate students in social work and psychology could use the facility as an internship site, further cementing the "town-gown" collaborations we all seek. If you have any further questions, please contact me.

Sincerely, *Tasha Howe*

Tasha R. Howe, PhD (email: th28@humboldt.edu)
Professor and Chair of Psychology Department



NAMI Humboldt County

January 23, 2021
 California Health Facilities Financing Authority
 915 Capitol Mall, Room 435
 Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

NAMI Humboldt County (National Alliance on Mental Illness) declares an intent to collaborate in the project entitled "Lost Coast Children's Crisis Residential Treatment Facility" which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority. NAMI is a non-profit organization that is dedicated to improving the quality of life for persons affected by mental illness. We focus on recovery, sharing resources and creating hope through advocacy, education and support. We currently partner with Humboldt County Health and Human Services, which provides meeting space and other support for our volunteer led educational and support programs for those with loved ones with mental health conditions. This project is important and needed.

Board Members 2021

Lea Nagy, President
 Vice President Vacant

Alan Lowry, Treasurer
 Vicki Zeitlin, Secretary

Tim Ash
 Ira Blatt
 Ruby Bayan, MD
 Tim Doty
 Debbe Hartridge
 Mary Lou Lowry

The Lost Coast Children's Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to, severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.

If this grant is funded, NAMI Humboldt County will continue this partnership with Humboldt County Department of Health and Human Services. NAMI Humboldt County will provide referrals to Lost Coast Children's Crisis Residential Treatment Facility staff, who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children's Crisis Residential Treatment Facility staff will provide training to partners appropriate to their role.

Sincerely,

Lea Nagy, President



January 25, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

This is an incredibly needed grant project for our very rural area focusing on our most impacted students in need. With one of the highest rates of Adverse Childhood Experiences (ACE's) in California, our rural community has a disproportionate population of traumatized children and a profound shortage of trauma-informed professionals to meet this challenge. Over 70% of Humboldt's citizens have had at least one adverse childhood event, and 30% of our population has an ACE score of 4 or above. Every day our Emergency Rooms and law enforcement see pediatric patients who have attempted suicide, are actively suicidal, or are having a psychological break requiring medical aid. Often they are placed on 5150 holds with no place to send them.

Humboldt-Del Norte Special Education Local Plan Area (SELPA) declares an intent to collaborate in the project entitled "Lost Coast Children's Crisis Residential Treatment Facility" which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority.

The Lost Coast Children's Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to, severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.

If this grant is funded, Humboldt-Del Norte SELPA commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Humboldt-Del Norte SELPA will commit to identifying and training staff to serve as Crisis Stabilization and Crisis Residential Treatment liaisons. Our liaisons will provide linkage to Lost Coast Children's Crisis Residential Treatment Facility staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children's Crisis Residential Treatment Facility staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

Mindy Fattig
Executive Director
Humboldt – Del Norte SELPA

January 25, 2021

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

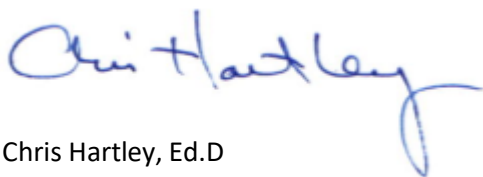
Humboldt County Office of Education declares an intent to collaborate in the project entitled “Lost Coast Children’s Crisis Residential Treatment Facility” which Humboldt County Department of Health and Human Services will submit to the California Health Facilities Financing Authority.

The Lost Coast Children’s Crisis Residential Treatment Facility will provide a 10-bed, 24/7 Crisis Stabilization and Crisis Residential Treatment center to address moderate to severe mental health crisis. The population to be served are children (ages 7-12) and adolescents (ages 13-21) experiencing a mental health crisis, including but not limited to, severe major depressive disorder with or without suicidality, anxiety disorder, obsessive compulsive disorder, post-traumatic stress disorder, and developmental trauma.

If this grant is funded, Humboldt County Office of Education commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Humboldt County Office of Education will commit to identifying and training staff to serve as Crisis Stabilization and Crisis Residential Treatment liaisons, who can refer to the facility and participate in the continuum of care after a child is discharged. Our liaisons will provide linkage to Lost Coast Children’s Crisis Residential Treatment Facility staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Lost Coast Children’s Crisis Residential Treatment Facility staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,



Chris Hartley, Ed.D
Humboldt County Superintendent of Schools



Child Welfare Services
 Administrative Offices
 2440 6th Street, Eureka, CA 95501
 phone: (707) 388-6600 | fax: (707) 445-6254

January 26, 2021

California Health Facilities Financing Authority
 915 Capitol Mall, Room 435
 Sacramento, CA 95814

Re: Investment in Mental Health Wellness Grant Program for Children and Youth

Humboldt County Department of Health and Human Services Child Welfare Services (CWS) supports the the addition of crisis residential services to our local array of treatment options. This local option aligns with the CWS priority of maintaining connection between our youth, their families, and the community as a whole.

Child Welfare Services supports the Lost Coast Ranch application for this grant to serve children in Humboldt County including those involved in our child welfare system.

Sincerely,

Daryn Nimmo, MFT

Daryn Nimmo, MFT
 Deputy Branch Director
 Humboldt County DHHS
 Child Welfare Services



Report Child Abuse
 phone: (707) 445-6180
 fax: (707) 445-6254

Behavioral Health
 phone: (707) 268-2990
 fax: (707) 476-4049

Public Health
 phone: (707) 445-6200
 fax: (707) 445-6097

Social Services
 phone: (707) 476-4700
 fax: (707) 441-2096



Arcata Police Department

736 F Street, Arcata, California 95521-6211
Telephone 707-822-2428 Fax 707-822-7936

March 5, 2018

Kristal Antonicelli
Health Program Specialist, Triage Unit
Mental Health Services Oversight and Accountability Commission
1325 J Street, Suite 1700
Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

Arcata Police Department declares an intent to collaborate in the project entitled "Mobile Mental Health Crisis Intervention" which Humboldt County Department of Health and Human Services will submit to the Mental Health Services Oversight and Accountability Commission.

Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

As partners, we worked with Humboldt County Department of Health and Human Services to develop the proposed Mobile Mental Health Crisis Intervention project. If this grant is funded, Arcata Police Department commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Arcata Police Department will commit to identifying and training staff to serve as Mobile Mental Health Crisis Intervention liaisons. Our liaisons will provide linkage to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Mobile Mental Health Crisis Intervention staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

A handwritten signature in black ink, appearing to read "T. F. Chapman".

Thomas F. Chapman, Chief of Police
Arcata Police Department



HUMBOLDT COUNTY PROBATION DEPARTMENT

2002 Harrison Avenue, Eureka CA 95501
 Telephone: (707) 445-7401 Fax: (707) 443-7139

March 1, 2018

Kristal Antonicelli
 Health Program Specialist, Triage Unit
 Mental Health Services Oversight and Accountability Commission
 1325 J Street, Suite 1700
 Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

The Humboldt County Probation Department (HCPD) is happy to support the Humboldt County Health and Human Services Department in their development of the Mobile Mental Health Crisis Intervention project. Youth with acute mental illness issues present an ongoing challenge to the community at large and test the capacity of existing service structures to cope with meeting their needs.

Should this plan be implemented, Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis that will address current gaps in service. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

If this grant is funded, HCPD will continue to build on the existing collaborative relationships that exist between the two agencies. As part of the project, HCPD will train probation officers on how to link youth and officers to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

In turn, Mobile Mental Health Crisis Intervention staff will work with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

The HCPD looks forward to this grant being approved and is excited about the positive changes it will make to our community.

Sincerely,

William Damiano
 Chief Probation Officer
 Humboldt County Probation Department



HUMBOLDT COUNTY SHERIFF'S OFFICE

WILLIAM F. HONSAL, SHERIFF/CORONER

MAIN STATION

CIVIL/COURTS
(707) 445-7335

826 FOURTH STREET • EUREKA CA 95501-0516
PHONE (707) 445-7251 • FAX (707) 445-7298

CUSTODY SERVICES
(707) 441-5159

March 1, 2018

Kristal Antonicelli
Health Program Specialist, Triage Unit
Mental Health Services Oversight and Accountability Commission
1325 J Street, Suite 1700
Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

The Humboldt County Sheriff's Office (HCSO) declares an intent to collaborate in the project entitled "Mobile Mental Health Crisis Intervention" which Humboldt County Department of Health and Human Services will submit to the Mental Health Services Oversight and Accountability Commission.

Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

As partners, we worked with Humboldt County Department of Health and Human Services to develop the proposed Mobile Mental Health Crisis Intervention project. If this grant is funded, (HCSO) commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. (HCSO) will commit to identifying and training staff to serve as Mobile Mental Health Crisis Intervention liaisons. Our liaisons will provide linkage to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Mobile Mental Health Crisis Intervention staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. F. Honsal".

William F. Honsal, Sheriff
Humboldt County Sheriff's Office



St. Joseph • Redwood Memorial

March 5, 2018

Kristal Antonicelli
 Health Program Specialist, Triage Unit
 Mental Health Services Oversight and Accountability Commission
 1325 J Street, Suite 1700
 Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

St. Joseph's Hospital declares an intent to collaborate in the project entitled "Mobile Mental Health Crisis Intervention" which Humboldt County Department of Health and Human Services will submit to the Mental Health Services Oversight and Accountability Commission.

Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

As partners, we worked with Humboldt County Department of Health and Human Services to develop the proposed Mobile Mental Health Crisis Intervention project. If this grant is funded, St. Joseph's Hospital commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. St. Joseph's Hospital will commit to identifying and training staff to serve as Mobile Mental Health Crisis Intervention liaisons. Our liaisons will provide linkage to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Mobile Mental Health Crisis Intervention staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis; de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,


 Wendy Hendrickson, RN, BSN, CPHRM
 AREA DIRECTOR RISK MANAGEMENT

3300 Renner Drive • Fortuna, CA 95540 • T: (707) 725-3361
 2700 Dolbeer Street • Eureka, CA 95501 • T: (707) 445-8121

www.redwoodmemorial.org
www.stjosepheureka.org

A Ministry founded by the Sisters of St. Joseph of Orange



CHRIS HARTLEY, Ed.D., Superintendent

901 Myrtle Avenue, Eureka, California 95501-1294

Phone: 707/445-7000

FAX: 707/445-7143

www.hcoe.org

March 5, 2018

Kristal Antonicelli
 Health Program Specialist, Triage Unit
 Mental Health Services Oversight and Accountability Commission
 1325 J Street, Suite 1700
 Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

The Humboldt County Office of Education declares intent to collaborate in the project entitled "Mobile Mental Health Crisis Intervention" which Humboldt County Department of Health and Human Services will submit to the Mental Health Services Oversight and Accountability Commission.

Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

As partners, we worked with Humboldt County Department of Health and Human Services to develop the proposed Mobile Mental Health Crisis Intervention project. If this grant is funded, the Humboldt County Office of Education commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. The Humboldt County Office of Education will commit to identifying and training staff to serve as Mobile Mental Health Crisis Intervention liaisons. Our liaisons will provide linkage to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Mobile Mental Health Crisis Intervention staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Students experiencing trauma in their lives is at an all-time high in Humboldt County. This project will have significant impact, helping our most at need students gain the support necessary to find joy and academic success in their lives.

Sincerely,

Chris Hartley, Ed.D.
 Humboldt County Superintendent of Schools



EUREKA POLICE DEPARTMENT

604 C Street • Eureka, California 95501-0341

(707) 441-4095 • Fax (707) 441-4387

www.ci.eureka.ca.gov

Office of the Chief of Police

March 5, 2018

Kristal Antonicelli
 Health Program Specialist, Triage Unit
 Mental Health Services Oversight and Accountability Commission
 1325 J Street, Suite 1700
 Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

Eureka Police Department declares an intent to collaborate in the project entitled “Mobile Mental Health Crisis Intervention” which Humboldt County Department of Health and Human Services will submit to the Mental Health Services Oversight and Accountability Commission.

Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

As partners, we worked with Humboldt County Department of Health and Human Services to develop the proposed Mobile Mental Health Crisis Intervention project. If this grant is funded, Eureka Police Department commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Eureka Police Department will commit to identifying and training staff to serve as Mobile Mental Health Crisis Intervention liaisons. Our liaisons will provide linkage to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Mobile Mental Health Crisis Intervention staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

Stephen Watson
 Chief of Police



Child Welfare Services
 Stephanie Weldon, MSW, Director
 2440 6th Street, Eureka, CA 95501
 phone: (707) 445-6810 | fax: (707) 445-6254

March 20, 2018

Kristal Antonicelli
 Health Program Specialist, Triage Unit
 Mental Health Services Oversight and Accountability Commission
 1325 J Street, Suite 1700
 Sacramento, CA 95814

Re: SB82 Mental Health Triage Personnel

Humboldt County Child Welfare Services, declares an intent to collaborate in the project entitled "Mobile Mental Health Crisis Intervention" which Humboldt County Department of Health and Human Services will submit to the Mental Health Services Oversight and Accountability Commission.

Mobile Mental Health Crisis Intervention staff will provide crisis support services that include crisis triage, case management and linkage to services for individuals experiencing a mental health crisis. The population to be served under this project is anyone aged 21 years and under who is experiencing a mental health crisis and his or her parent, guardian, or caregiver. It is understood that Mobile Mental Health Crisis Intervention staff will be able to respond to a crisis situation, anywhere in the community.

As partners, we worked with Humboldt County Department of Health and Human Services to develop the proposed Mobile Mental Health Crisis Intervention project. If this grant is funded, Humboldt County Child Welfare Services, commits to continuing this collaborative partnership with Humboldt County Department of Health and Human Services. Humboldt County Child Welfare Services will commit to identifying and training staff to serve as Mobile Mental Health Crisis Intervention liaisons. Our liaisons will provide linkage to Mobile Mental Health Crisis Intervention staff who will provide immediate, recovery-focused crisis interventions that divert individuals from unnecessary hospitalizations or incarcerations.

Mobile Mental Health Crisis Intervention staff have committed to working with collaborative partners throughout the community and will provide training to partner staff that includes but is not limited to: identifying mental health crisis, de-escalation and stabilization skills, the Humboldt County Mental Health System of Care and skills that increase the individualized support systems ability to provide ongoing care once the crisis has subsided.

Sincerely,

Stephanie Weldon, MSW, Director
 Child Welfare Services



Mental Health
 phone: (707) 268-2990
 fax: (707) 476-4049

Public Health
 phone: (707) 445-6200
 fax: (707) 445-6097

Social Services
 phone: (707) 476-4700
 fax: (707) 441-2096



Cutten School District

4182 Walnut Drive
Eureka, California 95503
(707) 441-3900 • Fax: (707) 441-3906

SUPERINTENDENT/PRINCIPAL
Sue Ivey

February 21, 2020

To:
Emi Botzler-Rodgers, Director
Humboldt County Mental Health

Dear Ms. Botzler-Rodgers,

The Cutten School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Cutten School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Cutten School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Cutten School District serves 630 students in kindergarten through sixth grade. Approximately 15% of our students have IEPs which is far above the state average. Some of the ongoing mental

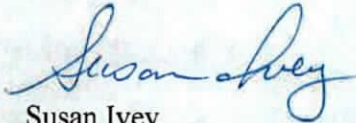
health challenges in Cutten School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. Because we are serving young children, we often are working with students whose needs are not yet identified. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Cutten School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

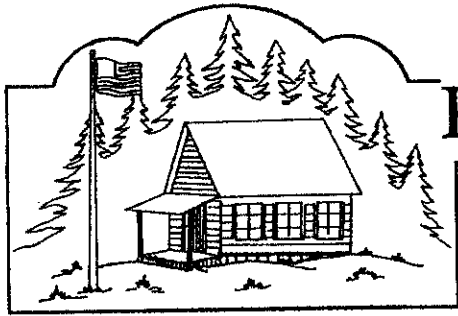
- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Cutten School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Cutten School District staff to gather student information.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County. Our most precious resource, our students, require this support to help them reach their potential.

Sincerely,



Susan Ivey
Superintendent, Cutten School District



Kneeland School District,

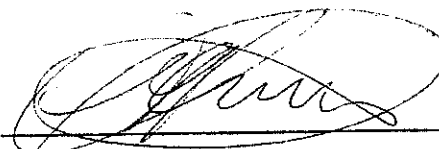
9313 Kneeland Road • Kneeland, California 95549

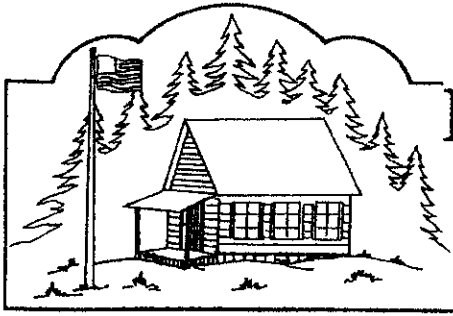
Some of the ongoing mental health challenges in Kneeland School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Kneeland School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Kneeland School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Kneeland School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Kneeland School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.


 _____ 1/13/2020
 Signature
 Superintendent, Kneeland School District



Kneeland School District

9313 Kneeland Road • Kneeland, California 95549

1/31/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Greta Turney, Superintendent, Kneeland School District

The Kneeland School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school-based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Kneeland School District, I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Kneeland School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school-based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Kneeland School District serves 13 students in grades TK-8th grade. Approximately 25% of our students have IEPs which is far above the state average. Additionally, we are atop a mountain, 20 miles north of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.



UNITED INDIAN HEALTH SERVICES, INC.
Healthy mind, body, and spirit for generations of our American Indian Community

February 21, 2020

Emi Botzler-Rodgers, Director
 Humboldt County Mental Health
 Department of Health and Human Services
 520 E Street
 Eureka, CA 95501

Dear Ms. Botzler-Rodgers:

United Indian Health Services, Inc. (UIHS) serves the physical, spiritual and mental health needs of American Indians and is the largest local provider of health services to our Tribal communities. UIHS serves all American Indian youth and adults regardless of their Tribal affiliation. At UIHS, cultural values and traditions guide the planning and implementation of services and we believe quality healthcare requires quality relationships. Integrating our services and focusing on the relationship between the client, their family, and those who provide them care will serve to create long term relationships. It is in these long-term relationships that trust develops, communication opens, knowledge grows, and healing takes place.

UIHS is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition. As a community organization, we see firsthand the challenges of providing mental health services to our community's young people. Our staff, schools, and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. Since Humboldt Bridges to Success began providing school-based services last spring, we have seen the impact of school-based and school-focused mental health services for students and their families.

UIHS strongly supports the expansion of the Humboldt Bridges to Success program. As a health supporting organization we see daily some of the ongoing mental health challenges young people contend with. We've seen young people that have and are, experiencing trauma and anxiety from past and present living situations, abuse, and poverty. Having mental health clinicians on school

MAIN OFFICE ~ Potawot Health Village, 1600 Weeot Way, Arcata, CA 95521-4734; (707) 825-5000 (Operator); Fax (707) 825-6747 add)

Other UIHS Clinics or Offices, Phone and Fax Numbers

Elk Valley Office, Crescent City (707) 464-2919; Fax (707) 464-8218
 2668

Eureka Health Clinic, Eureka (707) 442-0380; Fax (707) 442-0381
 (707) 487-0918

"Hop'ew Puel" Health Clinic, Klamath (707) 482-2181; Fax 482-3655

"Libby Nix" Health Clinic, Weitchpec (530) 625-4300; Fax (530) 625-4308

"Taa-At-Dvn" Medical Clinic, Crescent City (707) 464-2750; Fax (707) 464-

"Xaa-wan-k'wvt" Elder Nutrition Office, Smith River (707) 487-4463; Fax

"Xaa-wan-k'wvt" Health Clinic, Smith River (707) 487-0215, Fax 487-3008

campuses delivers the earliest and timely intervention that would properly address young people's needs. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement and to build resiliency.

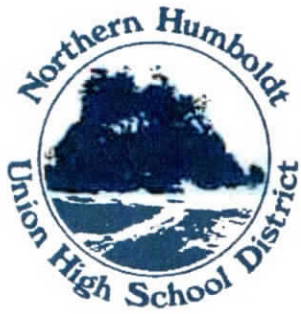
We look forward to the potential opportunities in working together to positively impact our young people's lives.



John R Reeves III, MHA
Chief Executive Officer



LaWanda Quinnell,
Chairperson, Board of Directors



Northern Humboldt Union High School District

2755 McKinleyville Avenue, McKinleyville, CA 95519-3400
 TELEPHONE: (707) 839-6470 • FAX: (707) 839-6477
 www.nohum.k12.ca.us

ROGER MACDONALD
 District Superintendent

CINDY VICKERS
 Director of Fiscal Services

MELANIE SUSAVILLA
 Director of Student Services

February 21, 2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Roger Macdonald, Superintendent, Northern Humboldt Union High School District

The Northern Humboldt Union High School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school-based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families. Since last spring, Northern Humboldt Union High School District has employed a full-time Humboldt Bridges Case Manager and a full-time Family Support Coach. These two classified employees along with the Humboldt County Children's Mental Health Clinician have formed a "trio" to serve the needs of students and families in our attendance area. While their work is hugely important and greatly appreciated, there remains more need than these three dedicated people and their partners in the schools and County Mental Health can address.

As superintendent of the Northern Humboldt Union High School District, I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Northern Humboldt Union High School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of

MTSS across the county. Through more MTSS aligned school-based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Northern Humboldt Union High School District serves 1,650 students in grades 9th-12th grade. Approximately 20% of our students have IEPs which is far above the state average. Additionally, we are fifteen miles north of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in Northern Humboldt Union High School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Northern Humboldt Union High School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Northern Humboldt Union High School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Northern Humboldt Union High School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Northern Humboldt Union High School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Case Managers and Family Support Coaches.
- Northern Humboldt Union High School District is willing to employ an additional mental health case manager as a Northern Humboldt Union High School District employee for the duration of the project. This offer is made under the condition that the cost of this employee will be reimbursed by the County of Humboldt from Mental Health Triage Personnel School-County Partnership Grant funds.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.


Roger Macdonald
Superintendent



SOUTH BAY

UNION SCHOOL DISTRICT

6077 LOMA AVENUE • EUREKA, CA 95503
707.476.8549 FAX: 707.476.8968

SUPERINTENDENT

Gary Storts

BOARD OF TRUSTEES

Clay Carver

Jacob Coan

Ross Nash

Kelly Noga

Gary Quintrell

February 20, 2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Gary Storts, Superintendent, South Bay Union Elementary School District

The South Bay Union Elementary School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the South Bay Union Elementary School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the South Bay Union Elementary School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

The South Bay Union Elementary School District serves approximately 500 students in grades TK - 8. Approximately 13% of our students have IEPs which is far above the state average. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in South Bay Union Elementary School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

PINE HILL SCHOOL
5230 Vance Avenue, Eureka, CA 95503
707.443.4596 • Fax 707.443.1312
www.pinehillschool.org

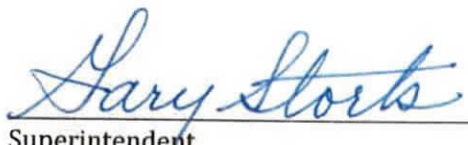
SOUTH BAY CHARTER SCHOOL
6077 Loma Avenue, Eureka, CA 95503
707.443.4828 • Fax 707.444.3690
www.southbayschool.org

SOUTH BAY SCHOOL
6077 Loma Avenue, Eureka, CA 95503
707.443.4828 • Fax 707.444.3690
www.southbayschool.org

In the event of funding, the South Bay Union Elementary School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to the South Bay Union Elementary School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the South Bay Union Elementary School District is willing and able to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.



Superintendent
South Bay Union Elementary School District

Maple Creek



Elementary School District

15933 Maple Creek Road • Korb, CA 95550 • Phone: 707-668-5596 • Fax: 707-668-4132

02/24/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Wendy Orlandi, Superintendent, Maple Creek School District

The Maple Creek School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Maple Creek School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Maple Creek School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

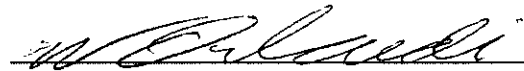
Maple Creek School District serves 9 students in grades TK-8th grade. Approximately 33% of our students have IEPs which is far above the state average. Additionally, it requires a drive of 45 minutes down a windy, rural road to get to Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in Maple Creek School District include 44% of students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Maple Creek School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Maple Creek School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Maple Creek School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Maple Creek School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.



Wendy Orlandi
Superintendent, Maple Creek School District

FRESHWATER

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 EUREKA, CA 95503-9569
 P (707) 442-2969
 F (707) 442-9527
 WWW.FRESHWATERSD.ORG

ELEMENTARY AND CHARTER MIDDLE SCHOOL

2/24/20

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Si Talty, Superintendent, Freshwater School District

The Freshwater School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Freshwater School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Freshwater School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across

FRESHWATER

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 F (707) 442-9527
 WWW.FRESHWATERSD.ORG

ELEMENTARY AND CHARTER MIDDLE SCHOOL

the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Freshwater School District serves 350 students in grades TK-8 grade. Approximately 10% of our students have IEPs which is far above the state average. Additionally, we are five miles north of Eureka where most services our families need are located. This makes accessing the much-needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in Freshwater School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Freshwater School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Freshwater School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Freshwater School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Freshwater School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

FRESHWATER

SUPERINTENDENT SI TALTY
BOARD OF TRUSTEES:
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AUDREY DIEKER
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WWW.FRESHWATERSD.ORG

ELEMENTARY AND CHARTER MIDDLE SCHOOL

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.

A handwritten signature in blue ink, which appears to read "Si Talty". The signature is written over a horizontal line.

Signature

Superintendent, Freshwater School District



Pacific Union School District

3001 Janes Road • Arcata, California 95521 • (707)822-4619 FAX (707)822-0129

Rene L. McBride
 Superintendent/Principal
 Alyse E. Nichols
 Associate Principal
 Board Of Trustees
 Jason Barr
 Karan Collenberg
 Chris Emmons
 Fred Hanks
 Ted Weller

2/19/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Rene L. McBride, Superintendent, Pacific School District

The Pacific Union School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Pacific Union School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Pacific Union School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Pacific Union School District serves 575 students in grades TK-8th grade. Approximately 12% of our students have IEPs which is far above the state average. Additionally, we are approximately 15 miles north of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had



Pacific Union School District

3001 Janes Road • Arcata, California 95521 • (707)822-4619 FAX (707)822-0129

Rene L. McBride
 Superintendent/Principal
 Alyse E. Nichols
 Associate Principal
 Board Of Trustees
 Jason Barr
 Karan Collenberg
 Chris Emmons
 Fred Hanks
 Ted Weller

students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in Pacific Union School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Pacific Union School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Pacific Union School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Pacific Union School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Pacific Union School District will try and provide space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs. This could be a shared space because we have limited space available on campus.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.

Signature

Superintendent, Pacific Union School District



Blue Lake Union School District

P.O. Box 268 • Blue Lake, California 95525 • 707/668-5674 • FAX 707/668-5619

February 20, 2020

Superintendent
DeAnn Waldvogel

Business Manager
Bernadette Arwood

School Secretary
Tatiana McDermond

Board of Trustees
Sam Wedil, President
Joan DePeel
Lisa Hooven
Daria Lowery
Jace Baldosser

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: DeAnn Waldvogel Superintendent-Principal, Blue Lake Union Elementary School District

The Blue Lake Union Elementary School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Blue Lake Union Elementary School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Blue Lake Union Elementary School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Blue Lake Union Elementary School District serves 174 students in grades TK-8 grade. Approximately 27% of our students have IEPs which is far above the state average. Additionally, we are sixteen miles north of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education



Blue Lake Union School District

P.O. Box 268 • Blue Lake, California 95525 • 707/668-5674 • FAX 707/668-5619

Superintendent
DeAnn Waldvogel

Business Manager
Bernadette Arwood

School Secretary
Tatiana McDermond

Board of Trustees
Sam Wedll, President
Joan DePeel
Lisa Hooven
Daria Lowery
Jace Baldosser

Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs. Some of the ongoing mental health challenges in Blue Lake Union Elementary School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Blue Lake Union Elementary School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

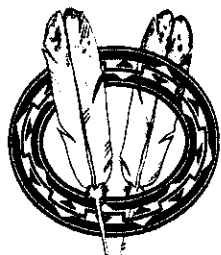
- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Blue Lake Union Elementary School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Blue Lake Union Elementary School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Blue Lake Union Elementary School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.

DeAnn Waldvogel

Signature

Superintendent-Principal, Blue Lake Union Elementary School District



Two Feathers Native American Family Services

*1560 Betty Court, Suite A, McKinleyville, California 95519
(707)839-1933 ♦ 1-800-341-9454 ♦ Fax (707)839-1726*

2/24/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Blair Kreuzer, Executive Director, Two Feathers Native American Family Services

Two Feathers Native American Family Services' mission is to inspire healthy and balanced Native American communities in Humboldt. Two Feathers works with Native American children and families in a good way, which includes using culturally based interventions that promote holistic health and developing respectful collaborations with both Native and Non-Native agencies—including Humboldt County Children's Mental Health.

Two Feathers Native American Family Services serves mental health needs of local Native people and serves all Native youth and adults regardless of their Tribal affiliation. Two Feathers is excited to support the proposed expansion of the Humboldt County Mental Health Department's, Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

As a community partner organization, we see firsthand the challenges of providing mental health services to our community's young people. Our staff, schools, and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. Since Humboldt Bridges to Success began providing school-based services last spring, we have seen the impact of school-based and school-focused mental health services for students and their families.

Two Feathers strongly supports the expansion of the Humboldt Bridges to Success program. As a health supporting organization, we see daily on local school campuses in Klamath Trinity and Northern Humboldt school districts some of the ongoing mental health challenges young people contend with. We've seen young people that have and are, experiencing trauma and anxiety from past and present living situations, abuse, and poverty. Having mental health clinicians on school campuses provides the earliest and timely intervention that would properly address young people's needs. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement and to build resiliency.

We look forward to the potential opportunities in working together, and to positively impact our young people's lives. I sincerely hope that this grant is awarded to Humboldt County, our young people need it, and it's about time they get the mental health help that so many can use.

A handwritten signature in black ink, appearing to read "Blair Kreuzer". The signature is fluid and cursive, with a large, stylized initial "B" and "K".

Blair Kreuzer, MSW
Executive Director
Two Feathers Native American Family Services

BLUE LAKE RANCHERIA

P.O. Box 428
Blue Lake, CA 95525

Office: (707) 668-5101
Fax: (707) 668-4272

www.bluelakerancheria-nsn.gov



2/21/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

Blue Lake Rancheria Tribe of California is delighted to support the proposed expansion of the Humboldt County Mental Health Department's, Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

As a Native American tribal government that works closely with schools in our community and across Humboldt County we see firsthand the challenges of providing mental health services to our community's young people. Our staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. Since Humboldt Bridges to Success began providing school based services last spring, we have seen the impact of school-based and school-focused mental health services for students and their families.

Blue Lake Rancheria Tribe of California strongly supports the expansion of the Humboldt Bridges to Success program. As a health supporting organization we see daily on local school campuses in Northern Humboldt school districts some of the ongoing mental health challenges young people contend with. We've seen young people that have and are, experiencing trauma and anxiety from past and present living situations, abuse, and poverty. Having mental health clinicians on school campuses provides the earliest and timely intervention that would properly address young people's needs. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement and to build resiliency.

We look forward to the potential opportunities in working together, and to positively impact our young people's lives. I sincerely hope that this grant is awarded to Humboldt County, our young people need it, and it's about time they get the mental health help that so many can use.

Sincerely,

Alison Robbins
Education Programs Director

cc: Jason Ramos, President, Board of Education



Southern Humboldt Unified School District

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Don Boyd
District Superintendent

Principals

Cyndi Aguiar
Stephanie Steffano-Davis

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health 1/24/20

From: Don Boyd, Superintendent, Southern Humboldt Unified School District (SHUSD)

The SHUSD is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families. Since last spring, SHUSD has employed a full time Humboldt Bridges Case Manager and a full time Family Support Coach. These two classified employees along with the Humboldt County Children's Mental Health Clinician have formed a "trio" to serve the needs of students and families in our attendance area. While their work is hugely important and greatly appreciated, there remains more need than these three dedicated people and their partners in the schools and County Mental Health can address.

As superintendent of the SHUSD I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the SHUSD as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.



Southern Humboldt Unified School District

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Don Boyd
District Superintendent

Principals

Cyndi Aguiar
Stephanie Steffano-Davis

SHUSD serves 780 students in grades K-12th grade. Approximately 12% of our students have IEPs which is far above the state average. Additionally, we are fifty eight miles south of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in SHUSD include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, SHUSD is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to SHUSD students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or SHUSD staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the SHUSD is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Case Managers and Family Support Coaches.
- SHUSD is willing to employ an additional mental health case manager as a Northern Humboldt Union High School District employee for the duration of the project. This offer is made under the condition that the cost of this employee will be reimbursed by the County of Humboldt from Mental Health Triage Personnel School-County Partnership Grant funds.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

110 School Rd; P.O. Box 650, Miranda, California 95553

Telephone: (707) 943-1789 Fax: (707) 943-1921

www.humboldt.k12.ca.us/sohumb_usd/school/index.html

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"Intelligence plus character – that is the goal of true education." – Martin Luther King Jr.



Southern Humboldt Unified School District

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Administration

Don Boyd
District Superintendent

Principals

Cyndi Aguiar
Stephanie Steffano-Davis

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.

Signature –Don Boyd
Superintendent, SHUSD School District



Eureka City Schools

2100 J Street, Eureka, CA 95501 / Tel: 707-441-2400

February 24, 2020

Emi Botzler-Rodgers, Director
Humboldt County Mental Health
Mental Health Administration Office
824 Harris Street
Eureka, CA 95503

Re: Support for Application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 Grant Competition

Dear Ms. Botzler-Rodgers:

Eureka City Schools is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families. Since last spring, Eureka City Schools has employed a full time Humboldt Bridges Case Manager and a full time Family Support Coach. These two classified employees along with the Humboldt County Children's Mental Health Clinician have formed a "trio" to serve the needs of students and families in our attendance area. While their work is hugely important and greatly appreciated, there remains more need than these three dedicated people and their partners in the schools and County Mental Health can address.

As Superintendent of Eureka City Schools, I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, Eureka City Schools, as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Eureka City Schools serves 3,600 students in grades TK-12th grade. Nearly 20% of our students have IEPs which is far above the state average. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in Eureka City Schools include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches, and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the District climate and culture.

In the event of funding, Eureka City Schools is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or PK-12 employed staff) at our school sites as they provide services to Eureka City Schools students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Eureka City Schools staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, Eureka City Schools is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Case Managers and Family Support Coaches.
- Eureka City Schools is willing to employ an additional mental health case manager as a Eureka City Schools employee for the duration of the project. This offer is made under the condition that the cost of this employee will be reimbursed by the County of Humboldt from Mental Health Triage Personnel School-County Partnership Grant funds.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it is about time they get the mental health help that so many can use.



Fred Van Vleck, Ed.D.
Superintendent



YUROK TRIBE

190 Klamath Boulevard • Post Office Box 1027 • Klamath, CA 95548

February 24, 2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

The Yurok Tribe Education Department is delighted to support the proposed expansion of the Humboldt County Mental Health Department's, Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

The Yurok Tribe Education Department works closely with schools in our community and across Humboldt County and sees firsthand the challenges of providing mental health services to our community's young people. Our staff, schools, and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. Since Humboldt Bridges to Success began providing school-based services last spring, we have seen the impact of school-based and school-focused mental health services for students and their families.

The Yurok Tribe Education Department strongly supports the expansion of the Humboldt Bridges to Success program. As a Tribal Education organization, we see daily on local school campuses in Klamath Trinity, Eureka and Northern Humboldt school districts some of the ongoing mental health challenges young people contend with. We've seen young people that have and are, experiencing trauma and anxiety from past and present living situations, abuse, and poverty. Having mental health clinicians on school campuses provides the earliest and timely intervention that would properly address young people's needs. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement and to build resiliency.

We look forward to the potential opportunities in working together, and to positively impact our young people's lives. I sincerely hope that this grant is awarded to Humboldt County, our young people need it, and it's about time they get the mental health help that so many can use.

Sincerely,

Jim McQuillen
Education Director
Yurok Tribe

Education Department



Peninsula Union School District



California
Distinguished
School

P.O. Box 175 • Samoa, California 95564-0175 • 707/443-2731

2/21/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Lark Doolan, Superintendent, Peninsula Union School District

The Peninsula Union School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Peninsula Union School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Peninsula Union School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

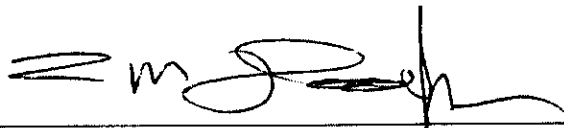
Peninsula Union School District serves 44 students in grades TK-8th grade. Approximately 27% of our students have IEPs which is far above the state average. Additionally, we are four miles southeast of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in Peninsula Union School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

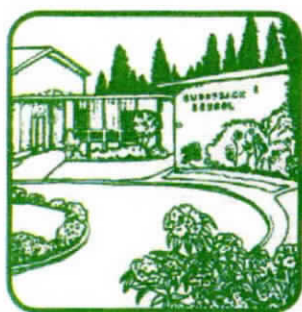
In the event of funding, Peninsula Union School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Peninsula Union School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Peninsula Union School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Peninsula Union School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.



Signature
Superintendent, Peninsula Union School District



Cuddeback

"National Blue Ribbon Award Winner 1994"

"California Distinguished School Award Winner 1993"

UNION SCHOOL DISTRICT

P.O. Box 7 • 300 Wilder Road • Carlotta, California 95528 • (707) 768-3372 • FAX 768-3211

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Erik Bess, *Member*

Jacob Morss, *Member*

Leonard Ward, Jr., *Member*

2/20/20

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Blaine Sigler, Superintendent, Cuddeback Union School District

The Cuddeback Union School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school-based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Cuddeback Union School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Cuddeback Union School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school-based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Cuddeback Union School District serves 150 students in TK-8th grades. Approximately 15% of our students have IEPs which is above the state average. Additionally, we are twenty-eight miles south of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

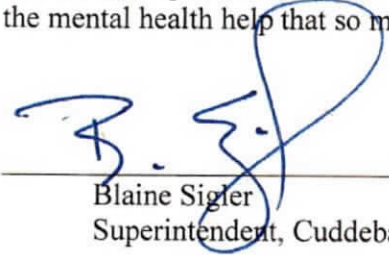
Some of the ongoing mental health challenges in Cuddeback Union School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals

need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Cuddeback Union School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to Cuddeback Union School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Cuddeback Union School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Cuddeback Union School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.



Blaine Sigler
Superintendent, Cuddeback Union School District



Fortuna Elementary School District

Jeffrey E. Northern, M.A., District Superintendent
500 9th Street, Fortuna, California 95540-1997 • 707/725-2293 FAX 707/725-2228

February 20, 2020

Emi Botzler-Rodgers, Director
Humboldt County Mental Health
520 E Street
Eureka, CA 95501

Dear Ms. Botzler-Rodgers:

The Fortuna Elementary School District is excited to support the proposed expansion of the Humboldt County Mental Health Department’s Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission’s Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school-based services last spring, it has helped bridge the gaps between the schools’ and County Mental Health Department’s traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families. Since this past summer, our District has employed a full-time Humboldt Bridges Case Manager and a full-time Family Support Coach. These two classified employees along with the Humboldt County Children’s Mental Health Clinician have formed a “trio” to serve the needs of students and families in our attendance area. While their work is hugely important and greatly appreciated, there remains more need than these three dedicated people and their partners in the schools and County Mental Health can address.

As superintendent of the Fortuna Elementary School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Fortuna Elementary School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools’ development and implementation of MTSS across the county. Through more MTSS aligned school-based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Fortuna Elementary School District serves over 1,100 students in grades TK-8. Approximately 21% of our students have IEPs which is far above the state average. Additionally, we are approximately twenty miles south of Eureka where most services our families need are located. This makes accessing the much-needed services a challenge for

Ambrosini Elementary
Amy Betts, M.A., Principal
3850 Rohnerville Road
707/725-4688 Fax 707/725-4941

South Fortuna Elementary
Laurie Clendenen, Principal
2089 Newburg Road
707/725-2519 Fax 707/725-2085

Fortuna Middle School
Julie Johansen, M.A., Principal
843 L Street
707/725-3415 Fax 707/725-6240

Toddy Thomas Middle School
Mathew Bigham, M.A., Principal
2800 Thomas Street
707/725-5197 Fax 707/725-8637



Fortuna Elementary School District

Jeffrey E. Northern, M.A., District Superintendent
500 9th Street, Fortuna, California 95540-1997 • 707/725-2293 FAX 707/725-2228

many of our students. We have had students served in Residential Treatment Centers due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in our District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Fortuna Elementary is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to all students located within the Eel River Valley. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or FESD staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Fortuna Elementary School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Case Managers and Family Support Coaches.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

As our students would greatly benefit from these services, I sincerely hope that this grant is awarded to Humboldt County in order to further the work that has already been started.

Sincerely,

Jeff Northern, Superintendent
Fortuna Elementary School District

Ambrosini Elementary
Amy Betts, M.A., Principal
3850 Rohnerville Road
707/725-4688 Fax 707/725-4941

South Fortuna Elementary
Laurie Clendenen, Principal
2089 Newburg Road
707/725-2519 Fax 707/725-2085

Fortuna Middle School
Julie Johansen, M.A., Principal
843 L Street
707/725-3415 Fax 707/725-6240

Toddy Thomas Middle School
Mathew Bigham, M.A., Principal
2800 Thomas Street
707/725-5197 Fax 707/725-8637



SCOTIA UNION SCHOOL DISTRICT

417 Church Street P.O. Box 217
 Scotia, California 95565
 Phone (707)764-2212 Fax (707)764-5111
 Amy Gossien, Superintendent/Principal

1/13/20

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Amy Gossien, Superintendent, Scotia Union School District

The Scotia Union School District is excited to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

Since Humboldt Bridges to Success began providing school based services last spring, it has helped bridge the gaps between the schools' and County Mental Health Department's traditionally separate support systems for preschool to high school children and students. Despite the required 28% reduction in funding for Bridges, we have already seen the impact of school-based and school-focused mental health services for our students and their families.

As superintendent of the Scotia Union School District I see firsthand the challenges of providing mental health services to our students with limited fiscal support from the state. Furthermore, our schools, staff and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. This expansion of Humboldt Bridges to Success to provide the originally proposed support, staffing and time to develop partnerships between County Mental Health, the Scotia Union School District as well as the Humboldt County Office of Education and the other 30 school districts in our county.

Beyond the originally proposed mental health service provider positions, we strongly support the additional funding for a Humboldt County Office of Education-employed Multi-Tiered System of Supports specialist to help expand the local schools' development and implementation of MTSS across the county. Through more MTSS aligned school based Tier 1 and Tier 2 interventions we can help reduce the number of children in need of more intensive mental and emotional health related services.

Scotia Union School District serves 175 students in grades K-8. Approximately 21% of our students have IEPs which is far above the state average. Additionally, we are twenty-eight miles south of Eureka where most services our families need are located. This makes accessing the much needed services a challenge for many of our students. We have had students served in Residential Treatment Centers as well as Interim Alternative Education Settings due to mental health issues. Having mental health clinicians on our campuses would provide the earliest and timely intervention that would properly address our students' needs.

Some of the ongoing mental health challenges in the Scotia Union School District include students experiencing trauma and anxiety from past and present living situations, abuse, and poverty. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement. We look forward to the potential opportunities in working together, and to positively impact our students' lives and the district climate and culture.

In the event of funding, Scotia Union School District is willing to continue to partner with the Humboldt County Mental Health Department in the following ways:

- Host Humboldt Bridge to Success staff (either Humboldt County Mental Health Department or K-12 employed staff) at our school sites as they provide services to the Scotia Union School District students. This will include, but not be limited to, providing meeting spaces and access to our Student Information System or Scotia Union School District staff to gather student information.
- If requested by the Humboldt Bridge to Success leadership team, the Scotia Union School District is willing to provide office space for the duration of the grant to a Humboldt County Mental Health Department employed clinician and school district employed Bridges to Success Navigators and Family Support Techs.
- Collaborate with the Humboldt Bridge to Success leadership team and other districts to find ways to sustain the program services after the end of grant funding in mid-2024.

I sincerely hope that this grant is awarded to Humboldt County, our students need it, and it's about time they get the mental health help that so many can use.


 Amy Gossien
 Superintendent, Scotia Union School District



February 20, 2020

Dear Ms. Botzler-Rodgers,

First 5 Humboldt is delighted to support the proposed expansion of the Humboldt County Mental Health Department's Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

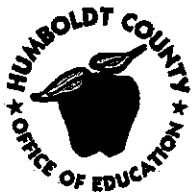
First 5 Humboldt focuses on providing services that help families and communities support young children to reach their full potential. Like you, we firmly believe in supporting families to raise successful students that will attend our local schools. We help families by providing early childhood and school-readiness programs. We are focused on strengthening early learning by providing training for early childhood educators. We understand the need to support the expansion of Humboldt County Children's Mental Health's Humboldt Bridges to Success program—and particularly the focus on children 0-5 years led by the Humboldt County Office of Education. First 5 supports the plan to work directly with these future students and their families so they are better equipped to support their children's success throughout school and beyond.

As an agency that works closely with preschools, family child care homes, child care centers, playgroups and elementary schools across Humboldt County, we see firsthand the challenges of providing mental health services to our community's youngest people and their families. First 5's early childhood specialists and our partners confront the ongoing challenge of trying to work across systems of care to help support early childhood mental health.

First 5 Humboldt looks forward to the potential opportunities in working together to positively impact our community. I sincerely hope that this grant is awarded to Humboldt County. Our young children need services to help them be successful in school and life.

Respectfully

Mary Ann Hansen
Executive Director
First 5 Humboldt



CHRIS N. HARTLEY, Ed.D., Superintendent

901 Myrtle Avenue, Eureka, California 95501-1294

Phone: 707/445-7000

FAX: 707/445-7143

www.hcoe.org

February 20, 2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health


From: Gillian Wadsworth, Program Manager, Humboldt County School Attendance Review Boards (SARB)

The Humboldt County Office of Education and Regional School Attendance Review Boards (SARB) are excited to support the proposed expansion of the Humboldt County Mental Health Department's, Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

As a school organization, we see firsthand the challenges of providing mental health services to our community's young people—and the effect on their attendance. Our staff, partner schools, and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. Since Humboldt Bridges to Success began providing school based services last spring, we have seen the positive impact of school-based and school-focused mental health services for students and their families.

As a community partner, the Humboldt County School Attendance Review Boards see some of the ongoing mental health challenges with which young people contend. We have seen young people whose experience of trauma from past and present living situations, abuse, and poverty create barriers to their education. Trauma experience often manifests as anxiety, depression, anger, substance use, and hopelessness. Having mental health clinicians on school campuses provides the earliest and timely intervention that would properly address young people's needs. Our youth need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement and to build resiliency.

We look forward to the potential opportunities in working together, and to positively impact our young people's lives. I sincerely hope that this grant is awarded to Humboldt County. The lives and livelihoods of many of our youth depend on accessible, integrated mental health services.


 Gillian Wadsworth, Program Manager
 Humboldt County School Attendance Review Board



Mindy Fattig, SELPA Director
2822 Harris Street ♦ Eureka, CA 95503

(707) 441-2051 ♦ (707) 445-6124 Fax
hdnselpa@hcoe.org ♦ www.hdnselpa.org

2/20/2020

To: Emi Botzler-Rodgers, Director, Humboldt County Mental Health

From: Mindy Fattig, Director, Humboldt Del Norte SELPA

The Humboldt-Del Norte Special Education Local Plan Area (SELPA) is excited to support the proposed expansion of the Humboldt County Mental Health Department's, Humboldt Bridges to Success program through an application to the California Mental Health Services Oversight and Accountability Commission's Mental Health Student Services Act of 2019 grant competition.

The Humboldt-Del Norte SELPA is comprised of 32 school districts, the Humboldt County Office of Education and the Del Norte County Office of Education. The region serves approximately 22,000 students, including approximately 3,550 students with special needs ranging from birth to age 22. Of those districts, 31 are located in Humboldt County and would be served by the Humboldt Bridge to Success program.

Humboldt Del Norte SELPA Director Mindy Fattig is a member of the existing DHHS/Education Leadership Committee where she participates in decision making, problem-solving, and strategic planning while providing Special Education-focused expertise to the group.

In the event of Mental Health Triage Personnel School-County Partnership Grant funding, Ms. Fattig will continue in her role on the DHHS/Education Leadership Committee as it facilitates the expansion of the project, establishes goals, helps solve problems and guides the development of joint ventures and strategic planning for the Humboldt Bridge to Success initiative as well as the broader local effort to provide mental health services to our 0-18 children.

As a community partner organization specializing in Special Education in the schools we see firsthand the challenges of providing mental health services to our community's young people. Our staff, schools, and families confront the ongoing challenge of trying to work across systems of care to help support child and student mental health. Since Humboldt Bridges to Success began providing school based services last spring, we have seen the impact of school-based and school-focused mental health services for students and their families.

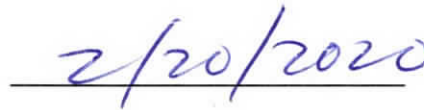
The SELPA believes having mental health clinicians on school campuses provides the earliest and timely intervention that would properly address young people's needs. These individuals need mentors, life coaches and personnel to speak with just to enable the possibility of experiencing some level of academic achievement and to build resiliency.

The Humboldt Del Norte SELPA is uniquely qualified to help support an initiative that seeks to work across schools and districts because for nearly 40 years the Humboldt Del Norte SELPA has done just that in Humboldt County.

We look forward to the potential opportunities in working together, and to positively impact our young people's lives. I sincerely hope that this grant is awarded to Humboldt County, our young people need it, and it's about time they get the mental health help that so many can use.



Signature



Date

Mindy Fattig,

Director, Humboldt-Del Norte SELPA

Line Item Capital Expenses

Item	Cost	Number	Total
<u>Furniture</u>			
Beds/bedding	\$1,800	18	\$32,400
Bedroom furniture	\$1,200	18	\$21,600
Desks/chairs	\$1,400	5	\$7,000
Couches	\$1,400	3	\$4,200
Common/group therapy	\$3,500	2	\$7,000
Offices	\$3,600	2	\$7,200
Therapy misc	\$2,200	3	\$6,600
Patio furniture	\$5,000	1	\$5,000
Dining tables	\$1,200	3	\$3,600
Industrial cookware	\$1,400		\$1,400
TV/telehealth	\$1,300	1	\$1,300
Art Room	\$1,200		\$1,200
Music Room	\$1,500		\$1,500
Total Furniture			\$100,000
<u>Information Tech</u>			
EMR	\$20,000	1	\$20,000
Tracking/coms	\$400	18	\$7,200
Security	\$11,300		\$11,300
Provider laptops	\$2,000	10	\$20,000
Total IT			\$58,500
<u>Retrofit</u>			
ADA 3 rooms/ 1st Fl			\$60,000
Efficiency retrofit			\$24,000
Solar array install			\$120,000
Secure perimeter			\$16,000
2 therapy rooms			\$30,000
Total Retrofit			\$250,000



Management
County of Humboldt
Eureka, California

In planning and performing our audit of the financial statements of County of Humboldt as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. The County's single audit report dated September 25, 2020, contains our written communication of material weaknesses in the County's internal control. This letter does not affect our report on the financial statements nor our internal control communication contained in the single audit report dated September 25, 2020.

DISAGGREGATION OF RECEIVABLES

Condition

Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Disclosures*, requires components of significant receivables to be disclosed in the financial statements. Components of receivables include accounts receivable (due from citizens), taxes (property, sales taxes, transient occupancy) receivable, interest receivable, amounts due from other governments and notes receivable.

Currently, the County records accounts receivable, taxes receivable and due from other governments within the same receivable account within its general ledger. However, the County has recently updated its chart of accounts to include separate accounts for the various types of receivables.

Recommendation

We recommend the County utilize its chart of accounts to account for the various receivable and payable types, including accounts receivable, loans receivable, interfund advances (and payables) and amounts due from other governments. Year-end closing procedures should be modified to capture receivable balances into each of these accounts according to their nature.

RECORDING DEBT SERVICE EXPENDITURES

Condition

The County's chart of accounts should be detailed enough as to provide adequate management information. For example, during our review of the County's debt service fund, we noted that the County recorded all of its debt service expenditures to account 7000, Trust Fund expenditures, instead of recording principal and interest expenditures separately as reflected in the County's financial statements.

Recommendation

We recommend the County record principal and interest expenditures separately instead of combining both expenditure types into one account. We further recommend the County reconcile its debt service expenditures to its debt amortization at least once a year to ensure debt payments are accurately recorded in its general ledger.

PAYROLL CONTROLS AND SEGREGATION OF DUTIES

Condition

During the fiscal year, the County moved the payroll department from the auditor-controller's office to human resources. Upon discussion with the payroll department, the County is currently updating its internal controls over payroll. The payroll department currently provides prelist reports to all individual departments, including the Auditor-Controller's office, for review prior to processing payroll each period. However, the transfer of the payroll department to human resources could present a greater risk of errors and irregularities going undetected. While no discrepancies with regard to payroll were detected during our audit, the auditor-controller's office and human resources should continue to work together on updating internal controls.

Recommendation

We recommend the auditor-controller's office work closely with the payroll department to ensure controls have been established to address any potential segregation of duties issues and increased fraud risk. For example, management outside the payroll department to ensure it reflects accurate and complete information should review the payroll systems master file change log, showing all changes made to the payroll information. Another example is the auditor-controller's office could analyze payroll registers obtained from the payroll department to ensure they have sufficient information for monitoring payroll disbursements each pay period.

COMMENDATION – USE OF MISCELLANEOUS TRUST FUND REVENUE ACCOUNTS

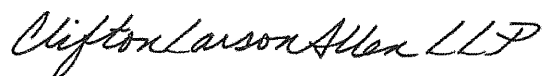
During last year's audit, we commented that the County recorded approximately \$8.3 million to miscellaneous trust fund revenues accounts during 2017/18. During 2018/19, under the direction of the Auditor-Controller's Office, the county significantly reduced the use of the miscellaneous trust fund revenue accounts to \$478 thousand in 2018/19 resulting in a large reduction of revenue reclassifications during the audit.

Management
County of Humboldt
Page 3

* * *

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Supervisors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Roseville, California
September 25, 2020

EXHIBIT E

**COUNTY OF HUMBOLDT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**



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WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

**COUNTY OF HUMBOLDT
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INTRODUCTORY SECTION

COUNTY OF HUMBOLDT
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2019

EXHIBIT E

BOARD OF SUPERVISORS
(as of June 30, 2019)

<u>Name</u>	<u>Office</u>
Rex Bohn	Supervisor, District 1
Estelle Fennell	Supervisor, District 2
Mike Wilson	Supervisor, District 3
Virginia Bass	Supervisor, District 4
Steve Madrone	Supervisor, District 5

FINANCE ADMINISTRATORS

<u>Name</u>	<u>Office</u>
Amy Nilsen	County Administrative Officer
Karen Paz Dominguez	Auditor/Controller
John Bartholomew	Treasurer/Tax Collector

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors
County of Humboldt
Eureka, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Humboldt, California (the County), as of and for the year ended June 30, 2019, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinion.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Adverse
General Fund	Unmodified
Headwaters Mitigation Fund	Unmodified
Road Fund	Unmodified
Aviation Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Discretely Presented Component Unit

Management has not included the Fortuna Fire Protection District in the County's financial statements. Accounting principles generally accepted in the United States of America require the Fortuna Fire Protection District to be presented as a discretely presented component unit. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of the omitted discretely presented component unit has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit as of June 30, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, 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.

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 changes in the net pension liability and related ratios and schedule of contributions, schedule of funding changes in net OPEB liability and related ratios, and budgetary comparison information, 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
September 25, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

Within this section of Humboldt County's annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. Readers are encouraged to consider the information presented here in conjunction with the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, does not include separately reported component units.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded liabilities and deferred inflows at the close of the fiscal year ended June 30, 2019 by \$204.9 million (*net position*). Net position of \$136.4 million are restricted for specific purposes (*restricted net position*), and \$331.4 million represents net investment in capital assets. Unrestricted net position was a negative \$262.9 million, primarily due to the County's long-term net pension and OPEB liabilities. The government's total net position decreased by \$4.8 million in comparison with the prior year.
- The County's net investment in capital assets, increased by \$1.9 million.
- The County's governmental funds reported combined fund balances of \$121.4 million, a decrease of \$8.5 million in comparison with the prior year. The unassigned portion of those fund balances was \$492,918.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other **Supplementary Information** in addition to the basic financial statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all County assets and liabilities and deferred inflows/outflows of resources, 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 net position changed during the most recent 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 expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Both of these 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 a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and debt service. The business-type activities of the County consist solely of the Eureka-Arcata Airport. Fiduciary activities are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and organizations for which the County is accountable (component units). Most of these legally separated organizations operate like County departments, serve as financing vehicles for County services (revenue bond issuers), or are governed by a board that is substantively identical to the County's board. An example of this is the Humboldt County Public Property Leasing Corporation, which while legally separate is in substance an extension of the County operations. Financial data for the Humboldt County Public Property Leasing Corporation are combined with the presentation of the primary government's financial data and thus it is referred to as a "blended" component unit. A "discretely presented" component unit is one that is presented separately in the financial statements to emphasize its independence from the primary government. Humboldt County has one discretely presented component unit: Fortuna Fire Protection District.

Fund Financial Statements – A fund is a grouping of related accounts that is 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 finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary 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 funds 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 a 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

The County maintains 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 the General Fund, Headwaters Mitigation Fund, Road Fund and the other governmental funds combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Eureka-Arcata Airport. *Internal services funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses seven internal service funds to account for its heavy equipment, information technology, central services, communications, motor pool, ADA compliance and insurance functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information.

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

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information provides the schedule of funding progress for the County Employees Retirement Plan and Other Postemployment Benefits. Also presented are the budgetary schedules of the County's General Fund and Road Fund. The County adopts an annual appropriated budget for each fiscal year. Budgetary comparison schedules have been provided for the General Fund and Road Fund to demonstrate compliance with this budget. The County does not adopt a formal budget for the Headwaters Mitigation Fund.

Other Supplementary Information presented is the combining statements referred to earlier in connection with the nonmajor governmental funds and internal service funds.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, combined assets and deferred outflows exceeded liabilities and deferred inflows by \$204.9 million at the close of the most recent fiscal year. Of this combined net position, \$331.4 million reflects the County's net investment in capital assets. Another \$136.4 million of the County's net position is subject to external restrictions on how they may be used. The unrestricted portion of net position is negative due to the net pension and net OPEB liabilities presentation requirements of GASB Statements No. 68 and 75, respectively.

The County's Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Current and Other Assets	\$ 188,379,355	\$ 170,396,424	\$ 1,137,530	\$ 680,850	\$ 189,516,885	\$ 171,077,274
Capital Assets	308,172,071	308,005,727	34,496,598	32,156,974	342,668,669	340,162,701
Total Assets	<u>496,551,426</u>	<u>478,402,151</u>	<u>35,634,128</u>	<u>32,837,824</u>	<u>532,185,554</u>	<u>511,239,975</u>
Deferred Outflows of Resources:						
Deferred Pension	58,832,257	66,354,680	252,765	299,672	59,085,022	66,654,352
Deferred OPEB	1,892,005	1,801,850	-	-	1,892,005	1,801,850
Total Deferred Outflows	<u>60,724,262</u>	<u>68,156,530</u>	<u>252,765</u>	<u>299,672</u>	<u>60,977,027</u>	<u>68,456,202</u>
Current Liabilities	22,641,641	20,727,956	774,120	693,497	23,415,761	21,421,453
Long-Term Liabilities	354,848,801	335,997,937	1,349,142	1,360,892	356,197,943	337,358,829
Total Liabilities	<u>377,490,442</u>	<u>356,725,893</u>	<u>2,123,262</u>	<u>2,054,389</u>	<u>379,613,704</u>	<u>358,780,282</u>
Deferred Inflows of Resources:						
Deferred Pension	8,201,957	11,178,311	33,292	42,231	8,235,249	11,220,542
Deferred OPEB	409,677	-	-	-	409,677	-
Total Deferred Inflows	<u>8,611,634</u>	<u>11,178,311</u>	<u>33,292</u>	<u>42,231</u>	<u>8,644,926</u>	<u>11,220,542</u>
Net Investment in Capital Assets	297,516,598	297,390,727	33,901,126	32,156,974	331,417,724	329,547,701
Restricted	136,391,455	103,251,592	-	-	136,391,455	103,251,592
Unrestricted	(262,734,441)	(221,987,842)	(170,787)	(1,116,098)	(262,905,228)	(223,103,940)
Total Net Position	<u>\$ 171,173,612</u>	<u>\$ 178,654,477</u>	<u>\$ 33,730,339</u>	<u>\$ 31,040,876</u>	<u>\$ 204,903,951</u>	<u>\$ 209,695,353</u>

A significant portion of the County's net position, \$331.4 million, reflects the amount invested in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. 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 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.

The restricted portion of the County's net position, \$136.4 million, represents resources that are subject to external restrictions by grantors and other governments on how they may be used.

The unrestricted portion of the County's net position due to governmental activities is a negative \$262.7 million primarily due to the classification of long-term pension and OPEB liabilities to the unrestricted category. These liabilities are required by new accounting standards in order to communicate to potential lenders and the public the potential liability the County bears for future retiree expenses. These liabilities accumulate over several years as part of the County's employment agreements.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

The County's net position, as adjusted for these pension liabilities, decreased by \$4.8 million during the current fiscal year.

The County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenues						
Program Revenues:						
Fees, Fines, and Charges for Services	\$ 53,456,844	\$ 50,363,535	\$ 1,529,910	\$ 1,869,463	\$ 54,986,754	\$ 52,232,998
Operating Grants/Contributions	226,590,208	202,040,364	-	-	226,590,208	202,040,364
Capital Grants/Contributions	6,460,145	8,890,562	4,049,540	2,471,419	10,509,685	11,361,981
General Revenues:						
Property Taxes	30,894,382	29,216,970	-	-	30,894,382	29,216,970
Sales Taxes	17,517,796	22,181,198	-	-	17,517,796	22,181,198
Transient Occupancy Tax	2,194,426	2,024,834	-	-	2,194,426	2,024,834
Property Taxes In Lieu of MVLF	18,360,357	17,504,671	-	-	18,360,357	17,504,671
Other Taxes	17,241,075	12,391,562	-	-	17,241,075	12,391,562
Interest and Investment Income	2,180,934	2,005,659	6,466	8,082	2,187,400	2,013,741
Other	3,313,495	6,163,864	879,298	537,901	4,192,793	6,701,765
Total Revenues	378,209,662	352,783,219	6,465,214	4,886,865	384,674,876	357,670,084
Expenses						
General Government	21,135,665	21,917,784	-	-	21,135,665	21,917,784
Public Protection	107,954,552	95,373,572	-	-	107,954,552	95,373,572
Public Ways and Facilities	35,924,428	31,921,957	-	-	35,924,428	31,921,957
Health and Sanitation	86,301,563	79,879,655	-	-	86,301,563	79,879,655
Public Assistance	127,400,658	113,918,016	-	-	127,400,658	113,918,016
Education	4,448,517	3,302,537	-	-	4,448,517	3,302,537
Recreation and Cultural Services	1,288,113	1,774,004	-	-	1,288,113	1,774,004
Interest and Long-Term Debt	287,663	333,459	-	-	287,663	333,459
Aviation	-	-	4,725,119	4,802,413	4,725,119	4,802,413
Total Expenses	384,741,159	348,420,984	4,725,119	4,802,413	389,466,278	353,223,397
Increase (Decrease) in Net Position Before Transfers	(6,531,497)	4,362,235	1,740,095	84,452	(4,791,402)	4,446,687
Transfers	(949,368)	(5,669)	949,368	5,669	-	-
Change in Net Position	(7,480,865)	4,356,566	2,689,463	90,121	(4,791,402)	4,446,687
Net Position - Beginning, restated	178,654,477	174,297,911	31,040,876	30,950,755	209,695,353	205,248,666
Net Position - Ending	\$ 171,173,612	\$ 178,654,477	\$ 33,730,339	\$ 31,040,876	\$ 204,903,951	\$ 209,695,353

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As described earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General, Special Revenue, and Debt Service Funds. Included in these funds are the special districts governed by the Board of Supervisors. 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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

At June 30, 2019, the County's governmental funds reported combined fund balances of \$121.4 million. Of these combined fund balances, \$492,918 constitutes unassigned fund balance of the General Fund, which is available to meet the County's current and future needs. The restricted fund balance, \$110.6 million consists of amounts with constraints imposed on their use by external creditors, grantors, laws, regulations, or enabling legislation. The County also reports committed fund balance of \$5.6 million and assigned fund balance of \$4.6 million which are described in the footnotes.

The General Fund is the chief operating fund of the County. At June 30, 2019, unassigned fund balance was \$1.6 million, while total fund balance was \$99.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 0.51% of total General Fund expenditures, while the total fund balance represents 32% of total General Fund expenditures.

The Headwaters Mitigation Fund has a total fund balance of \$17.6 million, all of which is restricted for economic development. The overall fund balance increased by \$118,385 during the current fiscal year.

The Road Fund has a total fund balance of \$166,887. The overall fund balance increased by \$693,621 during the current fiscal year due to total revenue exceeding project expenditures.

The County's management also assigns (earmarks) unrestricted fund balance to a particular function, project, or activity. Fund balance may also be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time. The County has assigned fund balance of \$4.6 million in the General Fund.

Fund balance of total governmental funds decreased by \$8.5 million in comparison with the prior year. The major governmental funds had changes in fund balance as follows: General Fund decreased by \$8.7 million, Headwaters Mitigation Fund increased by \$118,385 and Road Fund increased by \$693,621. The nonmajor governmental funds decreased by \$664,306.

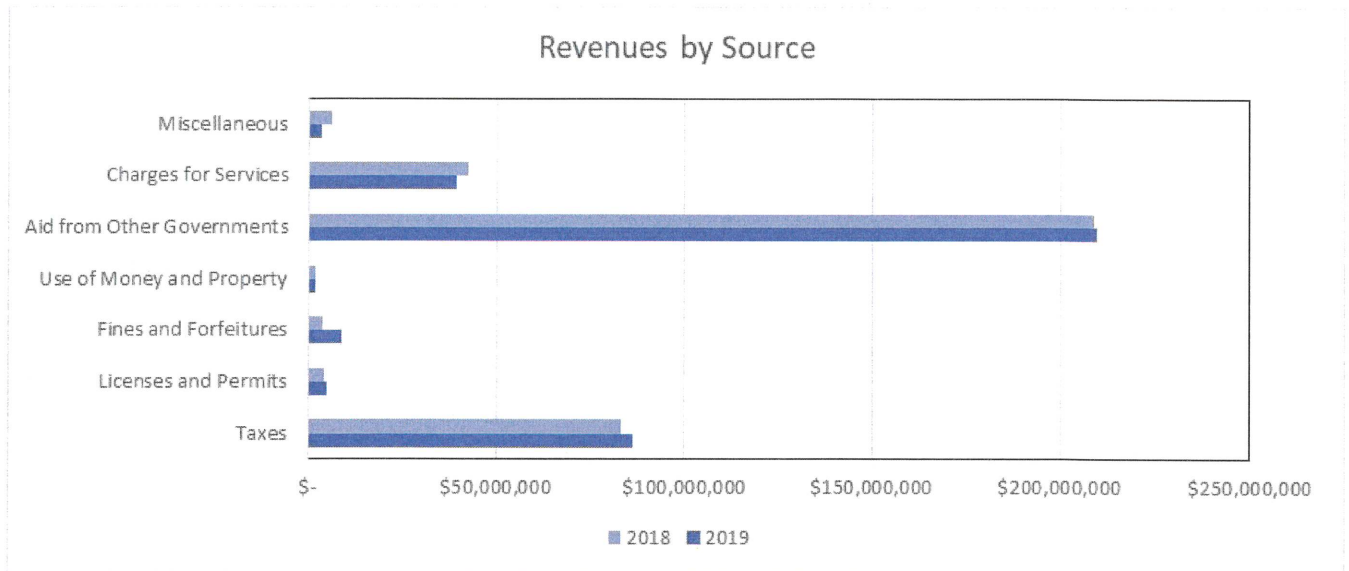
**Revenues by Source
Governmental Funds**

	FY 2019		FY 2018		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 86,208,036	24.32%	\$ 83,319,235	23.76%	\$ 2,888,801	0.03 %
Licenses and Permits	4,851,360	1.37%	4,232,252	1.21%	619,108	0.15 %
Fines and Forfeitures	9,043,949	2.55%	3,746,063	1.07%	5,297,886	1.41 %
Use of Money and Property	1,942,100	0.55%	1,819,418	0.52%	122,682	0.07 %
Aid from Other Governments	209,776,260	59.18%	208,993,643	59.60%	782,617	0.00 %
Charges for Services	39,394,341	11.11%	42,385,220	12.09%	(2,990,879)	(0.07)%
Miscellaneous	3,272,812	0.92%	6,163,864	1.76%	(2,891,052)	(0.47)%
Total Revenue by Source	<u>\$ 354,488,858</u>	100.00%	<u>\$ 350,659,695</u>	100.00%	<u>\$ 3,829,163</u>	0.01 %

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

The following graph shows an illustrative picture of the County revenues by source compared to the prior year.



The following table presents expenditures by function compared to prior year amounts.

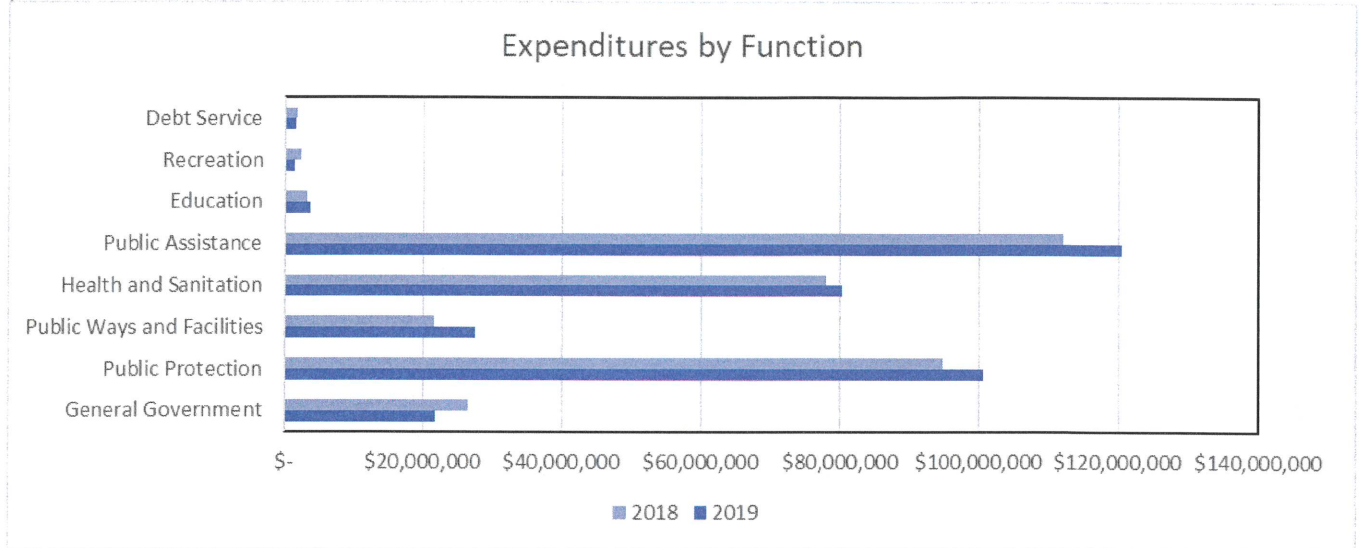
**Expenditures Classified by Function
Governmental Funds**

	FY 2019		FY 2018		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 21,813,747	6.09%	\$ 26,482,333	7.78%	\$ (4,668,586)	-17.63%
Public Protection	100,796,978	28.16%	94,822,609	27.85%	5,974,369	6.30%
Public Ways and Facilities	27,564,722	7.70%	21,597,825	6.34%	5,966,897	27.63%
Health and Sanitation	80,241,787	22.42%	78,037,829	22.92%	2,203,958	2.82%
Public Assistance	120,577,425	33.69%	112,197,827	32.96%	8,379,598	7.47%
Education	3,778,999	1.06%	3,193,264	0.94%	585,735	18.34%
Recreation	1,546,635	0.43%	2,328,382	0.68%	(781,747)	-33.57%
Debt Service	1,623,538	0.45%	1,794,784	0.53%	(171,246)	-9.54%
Total by Function	\$ 357,943,831	100.00%	\$ 340,454,853	100.00%	\$ 17,488,978	5.14%

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

The following graph shows an illustrative picture of how County funds were spent compared to the prior year.



Proprietary funds reporting focuses on determining operating income, changes in net position (or cost recovery), financial position, and cash flows using the full accrual basis of accounting.

Enterprise funds report the business-type activities of the County. Enterprise funds are used to account for the operations of the airport.

Enterprise fund net position net investment in capital assets at fiscal year-end was \$33.9 million. Unrestricted net position of the enterprise funds at fiscal year-end was a negative \$170 thousand. The net position of the enterprise funds increased by \$2.7 million from the prior fiscal year.

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for its information technology services, vehicle maintenance, risk management, facilities maintenance, and utilities functions.

Total net position of the internal service funds at fiscal year-end was \$27.8 million and include \$11.9 million net invested in capital assets. The net position of the internal service funds increased \$4.2 million over the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Board of Supervisors revised the County's budget many times. Each time a grant or specific revenue enhancement is made available to a County program, new appropriations and budget amendments are required.

The mid-year review is a formal process by which each department is analyzed for expense and revenue trends. Adjustments are recommended where indicated and monitored for the remainder of the year. Unless there is some unforeseen and unusual circumstance that causes a budget overrun, a draw on the Contingency Reserve is not recommended.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

Differences between the General Fund's original budget and the final amended budget resulted in a \$9.2 increase in appropriations.

After adjustments, actual expenditures were \$85.9 million below final budgeted amounts. Revenues available for appropriation were \$99.9 million below final budget amounts.

Differences between the original budget and the final amended budget are summarized in the table below:

Budgetary Comparison General Fund				
	Original	Final	Net Change	
	Budget	Budget	Amount	Percent
Total Revenues	\$372,549,227	\$394,968,326	\$ 22,419,099	5.68%
Total Expenditures	(374,623,668)	(396,187,975)	(21,564,307)	5.44%
Other Financing Sources (Uses)	(3,441,084)	(13,489,597)	(10,048,513)	74.49%
Net Change in Fund Balances	<u>\$ (5,515,525)</u>	<u>\$ (14,709,246)</u>	<u>\$ (9,193,721)</u>	

Differences between the final amended budget and actual amounts are summarized in the table below:

Budgetary Comparison General Fund				
	Final	Actual	Net Change	
	Budget	Amounts	Amount	Percent
Total Revenues	\$394,968,326	\$295,073,951	\$(99,894,375)	-33.85%
Total Expenditures	(396,187,975)	(310,242,500)	85,945,475	-27.70%
Other Financing Sources (Uses)	(13,489,597)	(5,977,335)	7,512,262	-125.68%
Net Change in Fund Balances	<u>\$ (14,709,246)</u>	<u>\$ (21,145,884)</u>	<u>\$ (6,436,638)</u>	

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of June 30, 2019, amounted to \$342.7 million (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, leasehold improvements, equipment, and infrastructure (roads and bridges).

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

EXHIBIT E

The following table shows the County's total investment in capital assets for governmental and proprietary funds.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 10,697,856	\$ 10,697,856	\$ 1,976,177	\$ 1,976,177	\$ 12,674,033	\$ 12,674,033
Construction In Progress	34,568,534	23,266,111	7,880,659	3,738,969	42,449,193	27,005,080
Structures and Improvements	105,754,182	105,242,320	53,503,814	53,503,814	159,257,996	158,746,134
Equipment	42,344,128	40,849,483	336,917	323,799	42,681,045	41,173,282
Infrastructure	619,920,310	616,208,218	-	-	619,920,310	616,208,218
Total	813,285,010	796,263,988	63,697,567	59,542,759	876,982,577	855,806,747
Less: Accumulated Depreciation	(505,112,939)	(488,258,261)	(29,200,969)	(27,385,785)	(534,313,908)	(515,644,046)
Net Capital Assets	<u>\$ 308,172,071</u>	<u>\$ 308,005,727</u>	<u>\$ 34,496,598</u>	<u>\$ 32,156,974</u>	<u>\$ 342,668,669</u>	<u>\$ 340,162,701</u>

Additional information regarding capital assets is presented in Note 4.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total outstanding debt obligations of \$10.7 million. The entire amount is comprised mostly of bonds that are secured by the County's lease rental payments and other dedicated sources of revenue.

The following table shows the composition of the County's long-term debt obligations.

	Long-Term Debt Obligations					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Certificates of Participation	\$ 9,285,000	\$ 10,615,000	\$ -	\$ -	\$ 9,285,000	\$ 10,615,000
Capital Lease Obligations	1,370,473	-	-	-	1,370,473	-
Total Long-Term Debt	10,655,473	10,615,000	-	-	10,655,473	10,615,000
Less: Current Portion	(1,656,492)	(1,330,000)	-	-	(1,656,492)	(1,330,000)
Net Long-Term Debt	<u>\$ 8,998,981</u>	<u>\$ 9,285,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,998,981</u>	<u>\$ 9,285,000</u>

During the year ended June 30, 2019 outstanding debt was decreased by \$286,019.

Other obligations include compensated absences (accrued vacation and sick leave), workers' compensation, and general liability insurance claims liability. More detailed information about the County's long-term liabilities is presented in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's fiscal year 2019-20 budget takes into consideration the overall financial health of the County and related impacts of the California State Budget.

REQUEST FOR INFORMATION

This 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 Auditor-Controller at 825 Fifth Street, Room 126, Eureka, California 95501-1153.

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

**COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
JUNE 30, 2019**

EXHIBIT E

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 115,048,144	\$ 340	\$ 115,048,484
Restricted Cash and Investments			
Cash with Fiscal Agent	5,585,600	-	5,585,600
Receivables, Net	39,990,686	1,624,374	41,615,060
Inventory	-	102,978	102,978
Deposits and Other Assets	206,702	1,500	208,202
Loan Receivable	26,956,561	-	26,956,561
Internal Balances	591,662	(591,662)	-
Capital Assets:			
Nondepreciable	45,266,390	9,856,836	55,123,226
Depreciable, Net	262,905,681	24,639,762	287,545,443
Total Assets	<u>496,551,426</u>	<u>35,634,128</u>	<u>532,185,554</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension	58,832,257	252,765	59,085,022
Deferred OPEB	1,892,005	-	1,892,005
	<u>60,724,262</u>	<u>252,765</u>	<u>60,977,027</u>
LIABILITIES			
Accounts Payable	15,841,963	735,560	16,577,523
Accrued Salaries and Benefits	6,758,891	38,560	6,797,451
Interest Payable	40,787	-	40,787
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Certificates of Participation	1,365,000	-	1,365,000
Capital Leases	291,492	-	291,492
Compensated Absences	11,376,010	48,038	11,424,048
Claims Liability	2,087,587	-	2,087,587
Portion Due or Payable After One Year:			
Certificates of Participation	7,920,000	-	7,920,000
Capital Leases	1,078,981	-	1,078,981
Compensated Absences	3,773,920	62,890	3,836,810
Net OPEB Liability - Current	1,892,005	-	1,892,005
Net OPEB Liability - Noncurrent	41,385,422	-	41,385,422
Net Pension Liability	283,678,384	1,238,214	284,916,598
Total Liabilities	<u>377,490,442</u>	<u>2,123,262</u>	<u>379,613,704</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension	8,201,957	33,292	8,235,249
Deferred OPEB	409,677	-	409,677
Total Deferred Inflows of Resources	<u>8,611,634</u>	<u>33,292</u>	<u>8,644,926</u>
NET POSITION			
Net Investment in Capital Assets	297,516,598	33,901,126	331,417,724
Restricted for:			
Economic Development	37,235,148	-	37,235,148
Debt Service and Capital Projects	1,071,956	-	1,071,956
Other Grants and Special Taxes	98,084,351	-	98,084,351
Unrestricted	(262,734,441)	(170,787)	(262,905,228)
Total Net Position	<u>\$ 171,173,612</u>	<u>\$ 33,730,339</u>	<u>\$ 204,903,951</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 21,135,665	\$ 4,700,833	\$ 6,329,722	\$ 583,578
Public Protection	107,954,552	18,142,830	40,760,235	1,010,730
Public Ways and Facilities	35,924,428	1,274,245	16,462,701	4,554,475
Health and Sanitation	86,301,563	24,439,665	59,679,258	-
Public Assistance	127,400,658	4,328,421	102,940,036	-
Education	4,448,517	59,468	410,165	-
Recreation and Culture	1,288,113	511,382	8,091	311,362
Debt Service				
Interest	287,663	-	-	-
Total Governmental Activities	384,741,159	53,456,844	226,590,208	6,460,145
Business-Type Activities				
Aviation	4,725,119	1,529,910	-	4,049,540
Total Business-Type Activities	4,725,119	1,529,910	-	4,049,540
Total Humboldt County	\$ 389,466,278	\$ 54,986,754	\$ 226,590,208	\$ 10,509,685

General Revenues

Taxes:

Property Taxes

Sales and Use Taxes

Transient Occupancy Tax

Property Taxes In Lieu of Motor Vehicle License Fees

Other

Unrestricted Interest and Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

Net Revenue (Expense) and Changes in Net Position Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (9,521,532)	\$ -	\$ (9,521,532)
(48,040,757)	-	(48,040,757)
(13,633,007)	-	(13,633,007)
(2,182,640)	-	(2,182,640)
(20,132,201)	-	(20,132,201)
(3,978,884)	-	(3,978,884)
(457,278)	-	(457,278)
-	-	-
(287,663)	-	(287,663)
(98,233,962)	-	(98,233,962)
-	854,331	854,331
-	854,331	854,331
(98,233,962)	854,331	(97,379,631)
30,894,382	-	30,894,382
17,517,796	-	17,517,796
2,194,426	-	2,194,426
18,360,357	-	18,360,357
17,241,075	-	17,241,075
2,180,934	6,466	2,187,400
3,313,495	879,298	4,192,793
(949,368)	949,368	-
90,753,097	1,835,132	92,588,229
(7,480,865)	2,689,463	(4,791,402)
178,654,477	31,040,876	209,695,353
<u>\$ 171,173,612</u>	<u>\$ 33,730,339</u>	<u>\$ 204,903,951</u>

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

**COUNTY OF HUMBOLDT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

EXHIBIT E

	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
ASSETS					
Cash and Investments	\$ 75,389,021	\$ 11,614,003	\$ 1,466,920	\$ 5,546,950	\$ 94,016,894
Department Cash Funds	-	-	-	865	865
Restricted Cash and Investments					
Cash with Fiscal Agent	5,585,600	-	-	-	5,585,600
Receivables, Net	38,310,388	19,274	1,582,143	59,416	39,971,221
Due from Other Funds	2,573,938	-	-	-	2,573,938
Loans Receivable	21,015,997	5,940,564	-	-	26,956,561
Prepays and Other Assets	138,641	-	-	5,157	143,798
Total Assets	<u>\$ 143,013,585</u>	<u>\$ 17,573,841</u>	<u>\$ 3,049,063</u>	<u>\$ 5,612,388</u>	<u>\$ 169,248,877</u>
LIABILITIES					
Accounts Payable	\$ 11,694,507	\$ 2,956	\$ 2,258,645	\$ 405,870	\$ 14,361,978
Accrued Salaries and Benefits	6,068,491	-	274,572	225,914	6,568,977
Due to Other Funds	-	-	-	885,834	885,834
Total Liabilities	<u>17,762,998</u>	<u>2,956</u>	<u>2,533,217</u>	<u>1,517,618</u>	<u>21,816,789</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	25,664,295	-	348,959	-	26,013,254
FUND BALANCES					
Nonspendable	138,641	-	-	5,157	143,798
Restricted	87,647,653	17,570,885	166,887	5,200,756	110,586,181
Committed	5,585,600	-	-	-	5,585,600
Assigned	4,610,337	-	-	-	4,610,337
Unassigned	1,604,061	-	-	(1,111,143)	492,918
Total Fund Balances	<u>99,586,292</u>	<u>17,570,885</u>	<u>166,887</u>	<u>4,094,770</u>	<u>121,418,834</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 143,013,585</u>	<u>\$ 17,573,841</u>	<u>\$ 3,049,063</u>	<u>\$ 5,612,388</u>	<u>\$ 169,248,877</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Fund Balance - Total Governmental Funds	\$ 121,418,834
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	294,901,609
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	26,013,254
Deferred outflows of resources reported in the statement of net position.	60,724,262
Internal service funds are used by the County to charge the cost of its motor pool and copier pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	27,779,851
Interest payable on long-term debt does not require the use of current financial resources and, therefor, is not accrued as a liability in the governmental funds.	(40,787)
Deferred inflows of resources reported in the statement of net position.	(8,611,634)
Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Certificates of Participation	(9,285,000)
Total OPEB Liability	(43,277,427)
Net pension liability	(283,678,384)
Compensated absences	<u>(14,770,966)</u>
Net Position of Governmental Activities	<u>\$ 171,173,612</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

EXHIBIT E

	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
REVENUES					
Taxes	\$ 79,567,002	\$ -	\$ 3,570,707	\$ 3,070,327	\$ 86,208,036
Licenses and Permits	4,747,570	-	103,748	42	4,851,360
Fines, Forfeitures, and Penalties	8,645,492	-	-	398,457	9,043,949
Use of Money and Property	1,334,126	545,636	(25,318)	87,656	1,942,100
Aid from Other Governments	176,235,861	-	20,901,158	12,639,241	209,776,260
Charges for Services	38,279,807	-	1,034,393	80,141	39,394,341
Other Revenues	2,885,622	-	36,233	350,957	3,272,812
Total Revenues	<u>311,695,480</u>	<u>545,636</u>	<u>25,620,921</u>	<u>16,626,821</u>	<u>354,488,858</u>
EXPENDITURES					
Current:					
General Government	21,813,747	-	-	-	21,813,747
Public Protection	87,360,565	-	-	13,436,413	100,796,978
Public Ways and Facilities	2,676,960	-	24,887,762	-	27,564,722
Health and Sanitation	80,241,787	-	-	-	80,241,787
Public Assistance	120,577,425	-	-	-	120,577,425
Education	180,123	-	-	3,598,876	3,778,999
Recreation and Culture	1,538,387	8,248	-	-	1,546,635
Debt Service:					
Principal	-	-	-	1,330,000	1,330,000
Interest and Other Charges	-	-	-	293,538	293,538
Total Expenditures	<u>314,388,994</u>	<u>8,248</u>	<u>24,887,762</u>	<u>18,658,827</u>	<u>357,943,831</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,693,514)	537,388	733,159	(2,032,006)	(3,454,973)
OTHER FINANCING SOURCES (USES)					
Transfers In	3,930,039	-	10,235	2,853,839	6,794,113
Transfers Out	(9,907,374)	(419,003)	(49,773)	(1,486,139)	(11,862,289)
Total Other Financing Sources (Uses)	<u>(5,977,335)</u>	<u>(419,003)</u>	<u>(39,538)</u>	<u>1,367,700</u>	<u>(5,068,176)</u>
NET CHANGES IN FUND BALANCES	(8,670,849)	118,385	693,621	(664,306)	(8,523,149)
Fund Balances - Beginning of Year	<u>108,257,141</u>	<u>17,452,500</u>	<u>(526,734)</u>	<u>4,759,076</u>	<u>129,941,983</u>
FUND BALANCES - END OF YEAR	<u>\$ 99,586,292</u>	<u>\$ 17,570,885</u>	<u>\$ 166,887</u>	<u>\$ 4,094,770</u>	<u>\$ 121,418,834</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
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, 2019

EXHIBIT E

Net Change to Fund Balance - Total Governmental Funds \$ (8,523,149)

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

Governmental funds report capital outlay 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	\$ 14,654,247	
Less: Current Year Depreciation	(17,379,213)	(2,724,966)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	22,107,709
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Long-term debt proceeds provide resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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 Payments on Certificates of Participation and Capital Leases	1,330,000
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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 Debt	5,875	
Change in Other Postemployment Benefits	(2,204,289)	
Changes in Net Pension Liability and Deferred Inflows/Outflows	(21,153,139)	
Change in Compensated Absences	(543,712)	(23,895,265)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.	4,224,806
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Change in Net Position of Governmental Activities	\$ (7,480,865)
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See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

EXHIBIT E

	Business -Type Activities - Enterprise Fund	Governmental Activities Internal Service Funds
	Aviation	Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ -	\$ 21,030,385
Departmental Cash Funds	340	-
Accounts Receivable	1,624,374	2,215
Due from Other Funds	-	17,250
Inventory	102,978	-
Prepaid Expenses	1,500	62,904
Total Current Assets	1,729,192	21,112,754
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	9,856,836	1,152,714
Depreciable, Net	24,639,762	12,117,748
Total Noncurrent Assets	34,496,598	13,270,462
Total Assets	36,225,790	34,383,216
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension	252,765	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	735,560	1,479,985
Accrued Salaries and Benefits	38,560	189,914
Due to Other Funds	591,662	1,096,442
Capital Leases	-	291,492
Compensated Absences	48,038	246,579
Provision for Estimated Claims	-	2,087,587
Total Current Liabilities	1,413,820	5,391,999
Noncurrent Liabilities:		
Capital Leases	-	1,078,981
Compensated Absences	62,890	132,385
Net Pension Liability	1,238,214	-
Total Noncurrent Liabilities	1,301,104	1,211,366
Total Liabilities	2,714,924	6,603,365
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension	33,292	-
NET POSITION		
Net Investment in Capital Assets	33,901,126	11,899,989
Unrestricted	(170,787)	15,879,862
Total Net Position	\$ 33,730,339	\$ 27,779,851

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

EXHIBIT E

	Business -Type Activities - Enterprise Fund	Governmental Activities Internal Service Funds
	Aviation	Funds
OPERATING REVENUES		
Charges for Services	\$ 1,529,910	\$ 41,208,936
Other Revenue	879,298	1,686,432
Total Operating Revenues	2,409,208	42,895,368
OPERATING EXPENSES		
Salaries and Benefits	960,995	4,536,838
Services and Supplies	1,943,719	34,509,161
Claims Expense	-	1,715,207
Depreciation	1,820,405	1,786,618
Total Operating Expenses	4,725,119	42,547,824
OPERATING INCOME (LOSS)	(2,315,911)	347,544
NONOPERATING REVENUE (EXPENSES)		
Interest Income	6,466	238,834
Operating Grants	-	750,000
Contributions of Capital Assets	-	(1,854,641)
Sale of Capital Assets	-	40,683
Total Nonoperating Revenue (Expenses)	6,466	(825,124)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,309,445)	(477,580)
OTHER FINANCING SOURCES (USES)		
Capital Contributions	4,049,540	583,578
Transfers In	1,069,609	4,150,167
Transfers Out	(120,241)	(31,359)
Total Other Financing Sources (Uses)	4,998,908	4,702,386
CHANGE IN NET POSITION	2,689,463	4,224,806
Net Position - Beginning of Year	31,040,876	23,555,045
NET POSITION - END OF YEAR	\$ 33,730,339	\$ 27,779,851

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Aviation</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Customers and Other Funds	\$ 2,409,208	\$ -
Cash Receipts from Internal Fund Services Provided	-	42,885,709
Cash Paid to Suppliers for Goods and Services	(2,169,558)	(36,019,496)
Cash Paid to Employees for Services	(922,221)	(4,426,230)
Net Cash Provided (Used) by Operating Activities	<u>(682,571)</u>	<u>2,439,983</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants	-	750,000
Transfers from other Funds	729,875	5,863,739
Transfers to other Funds	(120,241)	(31,359)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>609,634</u>	<u>6,582,380</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants	2,447,341	583,578
Proceeds from Sale of Capital Assets	-	116,858
Purchase of Capital Assets	(3,867,623)	(5,238,271)
Interest Paid on Capital Debt	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(1,420,282)</u>	<u>(4,537,835)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>6,466</u>	<u>238,834</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(1,486,753)	4,723,362
Cash and Cash Equivalents - Beginning of Year	<u>1,487,093</u>	<u>16,307,023</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 340</u>	<u>\$ 21,030,385</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION		
Cash and Investments	\$ -	\$ 21,030,385
Department Cash Funds	<u>340</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 340</u>	<u>\$ 21,030,385</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (2,315,911)	\$ 347,544
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,820,405	1,786,618
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Receivables	-	(9,659)
Prepays	(1,500)	1,469
Increase (Decrease) in:		
Accounts Payable	(224,339)	491,444
Accrued Salaries and Benefits	12,556	47,725
Compensated Absences	(6,057)	62,883
Claims Payable	-	(288,041)
Net Pension Liability	32,275	-
Net Cash Provided (Used) by Operating Activities	\$ (682,571)	\$ 2,439,983
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Transfer of Capital Assets	\$ -	\$ (1,854,641)
Purchase of Equipment on Account	\$ -	\$ 1,370,473

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

EXHIBIT E

	Investment Trust Fund	Agency Funds
ASSETS		
Pooled Cash and Investments	\$ 204,110,478	\$ 50,282,669
Taxes Receivable	-	13,144,404
Due from Other Funds	-	-
Total Assets	204,110,478	63,427,073
LIABILITIES		
Agency Funds Held for Others	-	63,427,073
Total Liabilities	-	63,427,073
NET POSITION		
Net Position Held in Trust for Investment Pool Participants	204,110,478	-
Total Net Position	\$ 204,110,478	\$ -

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	<u>Investment Trust Fund</u>
ADDITIONS	
Contributions to Pooled Investments	\$ 457,877,012
Investment Income	<u>7,495,003</u>
Total Additions	465,372,015
DEDUCTIONS	
Distributions from Pooled Investments	<u>458,958,394</u>
CHANGE IN NET POSITION	6,413,621
Net Position - Beginning of Year	<u>197,696,857</u>
NET POSITION - END OF YEAR	<u><u>\$ 204,110,478</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The County of Humboldt (the County) is a political subdivision created by the state of California. As such, it can exercise the powers specified by the Constitution and statutes of the state. The County is governed by a five member elected Board of Supervisors. The accompanying financial statements present the County's primary government and component units over which the County exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships). Blended component units, although legally separate entities, are, in substance, part of the County's operations.

The reporting entity excludes certain separate legal entities which may have "Humboldt" in their title, or which are required to keep their funds in the County Treasury or receive their tax apportionment from the County. Some examples are school districts, the community college district, cities, various redevelopment agencies established by local city governments, and a variety of special purpose districts for cemeteries, recreation, and parks. These entities are autonomous organizations with their own governmental powers and constituencies and over which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying combined financial statements, except as to their assets held by the County (principally cash and investments held by the County Treasurer) as discussed under "fiduciary funds".

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 the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30 year-end.

Discretely Presented Component Unit

The Fortuna Fire Protection District (District) was established in 1904 to provide fire protection and other emergency services. The District is governed by a five member Board of Commissioners. The District is reported as a component unit because the County's Board of Supervisors appoints all five members of the District's governing body and can remove members at will. The District is discretely presented because the board is not substantially the same as the County's. Separately issued financial statements are available for the District by contacting the following office: Fortuna Fire Hall Department Headquarters, 320 South Fortuna Blvd., Fortuna, CA 95540. The District is currently not included in the County's government-wide financial statements because the financial statements for the year ended June 30, 2019 were not available at the time of our audit.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

EXHIBIT E

Blended Component Units

The Public Facilities Corporation (the Corporation) is a nonprofit, public benefit corporation incorporated under the laws of the state of California and recorded by the Secretary of State on December 11, 1985. The Corporation's Board of Directors are appointed by the County's Board of Supervisors. The Corporation has no employees. The County's Auditor-Controller functions as an agent of the Corporation. He does not receive additional compensation for work performed in this capacity.

The County exercises significant influence over operations of the Corporation as it is anticipated that the County will be the sole lessee of all facilities owned by the Corporation. All major financing arrangements, contracts, and other transactions of the Corporation will be reflected in the lease payments of the County. Any surpluses of the Corporation revert to the County at the end of the lease period.

The County has assumed "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation. The Corporation was formed to provide financing assistance to the County for construction and acquisition of major capital facilities. Upon completion, the County intends to occupy all Corporation facilities. The Corporation has assigned certain rights under the lease agreement to Bank of New York, Union Bank of California, and First Interstate Bank of Trustees. The Corporation has deposited with the Trustee the proceeds from the sales of Certificates of Participation which were used to finance various projects. The bond retirement costs have been factored into the County's lease payment amounts. The Corporation's financial activity is presented in the financial statements as the Debt Service Fund. Certificates of Participation issued by the Corporation are included in the statement of net position – Governmental Activities column.

Capital assets acquired or constructed by the Corporation are included in the statement of net position – Governmental Activities column.

The County has 13 special districts referred to as Special Districts under the Board of Supervisors. Each is established for the purpose of providing specific services in a defined geographic area. Their board members are the same as the County Board of Supervisors. These agencies are reported in the Special Districts under the Board of Supervisors special revenue fund. These districts are as follows: Loleta Fire Protection District, Whitethorn Fire Protection District, Garberville Lighting District, Hydesville Lighting District, Loleta Lighting District, Rohnerville Lighting District, Weott Maintenance and Lighting District, Redcrest Lighting District, Myers Flat Lighting District, Pacific Manor Street Maintenance and Lighting District, Humboldt County Flood Control District – Subzone 1-1, and Janes Creek Drainage District.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

EXHIBIT E

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its blended 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. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) 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 resources are available for use, generally restricted resources are used first, followed by unrestricted resources.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise 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. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out 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 recreation services.
- The *Headwaters Mitigation Fund* is used to reimburse the County for the loss of property and timber tax revenues subsequent to the Headwaters Forest purchase by state and federal agencies. The Fund is also used to provide seed money for local economic development projects.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
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- The *Road Fund* provides for planning, design, construction, maintenance, and administration of County transportation planning activities.

The County reports the following major enterprise funds:

- The *Aviation Fund* is used to fund general Airport operations, office and administrative expenses and the maintenance of Airport facilities, including the replacement of exterior lighting fixtures, runway, taxiway and ramp lighting, heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, airport royalties, and interest earnings.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance and other services provide to other departments or other governments, and self-insurance programs – worker's compensation, dental, medical, unemployment, and general liability 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 *Agency Funds* account for assets held by the County as an agent for various local governments.

C. Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place.

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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. Expenditures are generally recorded when a liability is incurred, as under

COUNTY OF HUMBOLDT
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accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded 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.

The Governmental Accounting Standards Board (GASB) periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and 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.

E. Restricted Cash and Investments

The County reports restricted cash and investments as cash with fiscal agent in the General Fund. Amounts are held with Public Agency Retirement Services (PARS) and are restricted for future pension benefits.

F. Property Tax

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County based on the assessed value as of the preceding January 1. January 1 is also the lien date. Tax rates are set no later than the first workday in September. Property taxes on the secured roll are due in two installments: November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales and construction and the next normal assessment date. The additional supplemental property taxes are prorated from the first of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent, if unpaid, on August 31.

On September 21, 1993, the County adopted the Teeter Plan. The Teeter Plan provides for a tax distribution procedure in which secured roll taxes, excluding assessments and debt repayment levies, are distributed to participating County taxing agencies on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all taxing agencies is avoided.

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In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total years' delinquent secured property taxes, penalties and interest (not including assessments and debt replacement levies) outstanding at June 30, 1993.

Once adopted by the County, the Teeter Plan remains in effect unless the County orders its discontinuance or prior to the commencement of any subsequent fiscal year the County receives a petition for its discontinuance adopted by resolution of two-thirds of the participating revenue districts in the County. Further, the County may, by resolution adopted not later than July 15 of any subsequent fiscal year after a public hearing, discontinue the Teeter Plan as to any tax levying or assessment levying agency if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

By resolution the County has covenanted that, except for the purpose of securing borrowings, the proceeds of which would be deposited to the General Fund, the County will take no action to sell, assign, or otherwise encumber the future delinquent tax payments, penalties, and interest receivable by the County under the Teeter Plan.

The County is required to create a tax loss reserve fund (an agency fund) under one or two alternative methods: (1) 1% of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25% of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. For fiscal year 2015-2016, the County opted to use method (1) which required a tax loss reserve of at least 1% of total taxes and assessments levied on the secured roll.

G. Loans Receivable

The County has loans to low-income homeowners for residential housing improvements and to developers for the construction of low-income qualified rental property. The loans are made through the Community Development Block Grant Program, the CalHOME Program, and the HOME Program. The notes have interest rates from 0% to 6%. The terms of the notes range from 5 to 55 years. The notes are due upon sale of the property or maturity date. The notes are secured by real estate.

The County also makes business venture loans through the Headwaters Revolving Loan Fund. Such loans are generally secured by inventory, receivables and cash; as well as the personal assets of the business owners. The loan terms are from 3 to 10 years with interest rates from 5.5% to 10%. The County believes that substantially all loan principal is collectible.

H. Inventories and Prepaids

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of average cost or market for proprietary funds. Inventory recorded by governmental funds includes postage and materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by a corresponding nonspendable portion of fund balance to indicate that portion of fund balance not available for future appropriation.

**COUNTY OF HUMBOLDT
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Inventory recorded in the proprietary funds mainly consists of maintenance supplies. Inventory is expensed as the supplies are consumed.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. 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. Depreciation begins when the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The estimated useful lives are as follows:

	<u>Estimated Lives</u>
Infrastructure (Except for the Maintained Pavement Subsystem)	20 to 50 Years
Structures and Improvements	20 to 50 Years
Equipment	3 to 15 Years

Motor pool vehicles are depreciated using historical cost as required by accounting principles generally accepted in the United States of America.

The County has several networks of infrastructure assets – roads, lighting, drainage, and flood control. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, lighting, drainage, and flood control. These infrastructure assets are likely to be the largest asset class of the County. Their historical cost and related depreciation has been reported in the financial statements.

J. 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 two items, pension and OPEB, which qualify for reporting in this category.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
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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 from two sources: intergovernmental revenue and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Compensated Absences

County employees are granted vacation, holiday, comp time, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, holiday and comp time at 100%. Employees are reimbursed for accumulated sick leave based on years of service and date of hire.

The County accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. The liability for governmental funds is reflected in the government-wide statement of net position. In the proprietary funds, accumulated compensated absences is recorded as an expense and liability as the benefits accrue to employees.

L. 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 California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

M. 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 governmental fund financial statements, are offset by a nonspendable portion of fund balance to indicate that they are not available for appropriation and are not available financial resources.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
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EXHIBIT E

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.

N. Net Position/Fund Balance

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position components are categorized as net investment in capital assets, 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.

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. As of June 30, 2019, fund balances for governmental funds consist of the following categories:

- Nonspendable Fund Balance – This category 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 – This category 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 – This category includes amounts that can be used only for the specific purpose determined by the Board of Supervisors. 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 – This category 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.

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
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EXHIBIT E

- Unassigned Fund Balance – This category is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purposes.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the committed, assigned and unassigned resources as they are needed.

Fund Balance Policy

The County has developed a fund balance policy to assist financial statement users in understanding the existing commitments and constraints that apply to fund balances of governments. Committed, assigned, and unassigned fund balances are considered unrestricted. Additional detailed information, along with the complete *Fund Balance Policy*, can be obtained from the County Auditor-Controller's office.

O. Estimates

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

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

NOTE 2 CASH AND INVESTMENTS

At June 30, 2019, total County cash and investments were as follows:

Cash:	
Cash on Hand and Imprest Cash	\$ 26,193
Deposits	5,654,142
Total Cash and Deposits	<u>5,680,335</u>
Investments:	
In Treasurer's Pool	375,357,051
With Fiscal Agent	5,585,600
Total Investments	<u>380,942,651</u>
In Transit:	
Outstanding Checks	<u>(11,595,755)</u>
Total	<u>\$ 375,027,231</u>

Cash and investments were reported in the basic financial statements as follows:

Primary Government:	
Governmental Activities	\$ 120,633,744
Business-Type Activities	340
Investment Trust Fund	204,110,478
Agency Funds	50,282,669
Total	<u>\$ 375,027,231</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
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EXHIBIT E

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury and Agency Securities	5 Years	100%	N/A
U.S. Treas. and Ag. Sec. - Headwaters Investment Portfolio	30 Years	100%	N/A
Bonds and Notes issued by local agencies	5 Years	100%	N/A
Bonds and Notes loc. ag. - Headwaters Investment Portfolio	30 Years	100%	N/A
Registered State Warrants and Municipal Notes and Bonds	5 Years	100%	N/A
Registered St. Warrants - Headwaters Investment Portfolio	30 Years	100%	N/A
Muni. Notes and Bonds - Headwaters Investment Portfolio	30 Years	100%	N/A
Bankers' Acceptances	180 days	40%	N/A
Commercial Paper	270 days	40%	N/A
Negotiable Certificates of Deposit	5 Years	30%	N/A
Negotiable CDs - Headwaters Investment Portfolio	30 Years	30%	N/A
Repurchase Agreements	1 Year	100%	N/A
Reverse Repurchase Agreements and Securities	92 days	20%	N/A
Medium Terms Corporate Notes	5 Years	30%	N/A
Mutual Funds & Money Market Funds	N/A	20%	N/A
California Asset Management Program	N/A	None	N/A
Joint Powers Agreement	N/A	20%	N/A
Local Agency Investment Fund (LAIF)	N/A	As Limited by LAIF	N/A
Investment Trust of California (CalTRUST)	N/A	As Limited by CalTRUST	N/A
Collateralized Time Deposits	5 Years	N/A	N/A

At June 30, 2019, the County had the following investments:

	Interest Rate	Maturities	Par	Carrying Value	WAM (Years)
Investment Pool:					
Federal Agency Issues - Coupon	1.000 - 2.640	8/10/2018 - 8/28/2025	\$ 255,979,000	\$ 255,675,103	1.80
Negotiable CDs	1.250 - 3.100	11/5/2018 - 12/9/2024	8,826,000	8,826,000	3.32
Municipal Bonds	1.800 - 2.000	7/1/2019 - 8/1/2021	5,000,000	4,940,666	2.10
U.S. Treasury Notes	0.875 - 1.500	6/15/2019 - 6/30/2021	12,000,000	11,930,514	1.18
Medium Term Corporate Notes	1.650 - 2.750	3/1/2021 - 1/26/2023	6,000,000	5,985,644	2.62
Supranationals	1.250 - 2.000	4/26/2019 - 1/15/2023	3,000,000	3,000,000	3.54
California Asset Management Program	Variable	On Demand	82,483,370	82,483,370	
Local Agency investment Fund	Variable	On Demand	2,515,754	2,515,754	
Total Investment Pool			<u>\$ 375,804,124</u>	<u>\$ 375,357,051</u>	
Investments Outside Investment Pool:					
Cash Held with Fiscal Agent:					
Money Market Mutual Funds	Variable	On Demand	5,585,600	5,585,600	
Total Investments			<u>\$ 381,389,724</u>	<u>\$ 380,942,651</u>	

The fair value of the investments is obtained by the County's safekeeping agent.

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

Fair Value Measurements

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

Level 1 – Investments reflect prices quoted in active markets;

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and

Level 3 – Investments reflect prices based upon unobservable sources

The Pool has the following recurring fair value measurements as of June 30, 2019:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Observable Inputs (Level 3)</u>
Federal Agency				
Issues - Coupon	\$ 255,675,103	\$ -	\$ 255,675,103	\$ -
Negotiable CDs	8,826,000	-	8,826,000	-
Municipal Bonds	4,940,666	-	4,940,666	-
Medium Term Corporate Notes	5,985,644		5,985,644	
Supranationals	3,000,000		3,000,000	
U.S. Treasury Notes	11,930,514	11,930,514	-	-
Total Investments Measured at Fair Value	290,357,927	<u>\$ 11,930,514</u>	<u>\$ 278,427,413</u>	<u>\$ -</u>
Investment Measured at Amortized Cost:				
California Asset Mgmt Program	82,483,370			
Local Agency Investment Fund	2,515,754			
PARS	5,585,600			
Total Investments	<u>\$ 380,942,651</u>			

**COUNTY OF HUMBOLDT
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Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have credit limits on government agency securities.

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 fair value at June 30, 2019.

	Standard & Poor's Rating	% of Portfolio
JNJ (Abbott Labs)	AAA	0.82
Federal National Mortgage	AA+	19.77
Federal Home Loan Bank	AA+	21.39
Federal Home Loan Mortgage Corp.	AA+	9.64
Federal Farm Credit	AA+	17.32
Intl Finance Corporation	AAA	0.80
Municipal Bonds	AA	1.32
U.S. Treasury Notes	Aaa	3.18
Certificates of Deposit	Unrated	2.35
Medium Term Corporate Notes	AA-	0.80
Local Agency Investment Fund	Unrated	0.67
California Local Agency Investment Fund	Unrated	21.94
Total		<u>100.00 %</u>

At June 30, 2019, the County had the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	Fair Value Holdings	Percentage Holdings
Federal National Mortgage	\$ 74,197,306	19.77 %
Federal Home Loan Bank	80,276,286	21.39
Federal Home Loan Mortgage Corp.	36,195,940	9.64
Federal Farm Credit	65,005,571	17.32

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EXHIBIT E

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 and cash with fiscal agents had no securities exposed to custodial credit risk.

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 in 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. 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 Agency Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

Local Agency Investment Fund

At June 30, 2019, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$2,515,754, 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 \$105,739,564,676. The PMIA portfolio includes 1.49% invested in structured notes and medium-term asset-backed securities and 0.28% invested in short term asset-backed commercial paper.

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2019:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 369,419,838</u>
Equity of External Pool Participants	\$ 204,110,478
Equity of Internal Pool Participants	<u>165,309,360</u>
Total Net Position	<u>\$ 369,419,838</u>

Statement of Changes in Net Position

Net Position at July 1, 2018	\$ 359,907,713
Net Change in Investments by Pool Participants	<u>9,512,125</u>
Net Position at June 30, 2019	<u>\$ 369,419,838</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
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EXHIBIT E

NOTE 3 INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2019 is as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Aviation Fund	\$ 591,662
	Nonmajor Governmental Funds	885,834
	Internal Service Funds	1,096,442
	Total	\$ 2,573,938

The due to/from other funds account balances consists of interfund cash transactions to eliminate cash deficits at June 30, 2019 for reporting purposes and short-term loans between funds.

Transfers

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

Transfer from	Transfer In	Transfer Out
General Fund	\$ 3,930,039	\$ 9,907,374
Headwaters Mitigation Fund	-	419,003
Road Fund	10,235	49,773
Other Governmental Funds	2,853,839	1,486,139
Aviation	1,069,609	120,241
Internal Service Funds	4,150,167	31,359
	\$ 12,013,889	\$ 12,013,889

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2019
Governmental Activities					
Capital Assets, not being Depreciated:					
Land	\$ 10,697,856				\$ 10,697,856
Construction in Progress	23,266,111	15,172,931	-	(3,870,508)	34,568,534
Total Capital Assets, not being Depreciated	33,963,967	15,172,931	-	(3,870,508)	45,266,390
Capital Assets, being Depreciated:					
Infrastructure	616,208,218	-	-	3,712,092	619,920,310
Structures and Improvements	105,242,320	-	-	511,862	105,754,182
Equipment	40,849,483	4,843,275	(2,994,208)	(354,422)	42,344,128
Total Capital Assets, being Depreciated	762,300,021	4,843,275	(2,994,208)	3,869,532	768,018,620
Less Accumulated Depreciation for:					
Infrastructure	(395,222,267)	(13,600,397)	-	-	(408,822,664)
Structures and Improvements	(65,673,998)	(2,922,781)	-	(5,188)	(68,601,967)
Equipment	(27,361,996)	(2,642,653)	2,474,192	(157,851)	(27,688,308)
Total Accumulated Depreciation	(488,258,261)	(19,165,831)	2,474,192	(163,039)	(505,112,939)
Total Capital Assets, being Depreciated, Net	274,041,760	(14,322,556)	(520,016)	3,706,493	262,905,681
Governmental Activities Capital Assets, Net	<u>\$ 308,005,727</u>	<u>\$ 850,375</u>	<u>\$ (520,016)</u>	<u>\$ (164,015)</u>	<u>\$ 308,172,071</u>
Business-Type Activities					
Capital Assets, not being Depreciated:					
Land	\$ 1,976,177	\$ -	\$ -	\$ -	\$ 1,976,177
Construction in Progress	3,738,969	4,141,690	-	-	7,880,659
Total Capital Assets, not being Depreciated	5,715,146	4,141,690	-	-	9,856,836
Capital Assets, being Depreciated:					
Structures and Improvements	53,503,814	-	-	-	53,503,814
Equipment	323,799	18,339	(5,221)	-	336,917
Total Capital Assets, being Depreciated	53,827,613	18,339	(5,221)	-	53,840,731
Less accumulated depreciation for:					
Structures and Improvements	(27,125,475)	(1,810,294)	-	-	(28,935,769)
Equipment	(260,310)	(10,111)	5,221	-	(265,200)
Total Accumulated Depreciation	(27,385,785)	(1,820,405)	5,221	-	(29,200,969)
Total Capital Assets, being Depreciated, Net	26,441,828	(1,802,066)	-	-	24,639,762
Business-Type Activities Capital Assets, Net	<u>\$ 32,156,974</u>	<u>\$ 2,339,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,496,598</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,322,568
Public Protection	1,501,039
Public Ways and Facilities	13,680,843
Health and Sanitation	224,442
Public Assistance	279,055
Education	295,190
Recreation and Culture	76,076
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Asset	1,786,618
Total Depreciation Expense - Governmental Functions	\$ 19,165,831

Depreciation expense was charged to the business-type functions as follows:

Aviation	\$ 1,820,405
----------	--------------

NOTE 5 LEASE COMMITMENTS

Operating Leases

The County is committed under various noncancellable operating leases, primarily for office buildings.

At June 30, 2019, the future minimum rental payments required under operating leases for buildings and equipment were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 5,332,781
2021	5,475,229
2022	5,621,877
2023	5,772,713
2024	5,925,136
Total	\$ 28,127,736

Rent expenditures were \$5,614,285 for the year ended June 30, 2019.

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met.

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

The following is a summary of equipment leased under the capital lease agreements by the County as of June 30, 2019.

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2019
Road Equipment	1.81 - 2.91%	\$ 1,370,473
Total		\$ 1,370,473

The cost of equipment under capital leases is as follows:

Road Equipment	\$ 1,550,412
Less: Accumulated Depreciation	(310,082)
Total	\$ 1,240,330

As of June 30, 2019, future minimum lease payments under capital leases were as follows:

Year Ending June 30,	Amount
2020	\$ 347,847
2021	347,847
2022	347,847
2023	325,548
2024	147,371
Total Future Minimum Lease Payments	1,516,460
Less: Interest	(145,987)
Present Value of Minimum Lease Payments	\$ 1,370,473

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Direct Borrowings:					
Certificates of Participation	\$ 10,615,000	\$ -	\$ 1,330,000	\$ 9,285,000	\$ 1,365,000
Capital Lease Obligations	-	1,550,412	179,939	1,370,473	291,492
Compensated Absences	14,543,335	11,472,006	10,865,411	15,149,930	11,376,010
Liability for Unpaid Claims	2,375,628	1,715,207	2,003,248	2,087,587	2,087,587
Total Governmental Activities	\$ 27,533,963	\$ 14,737,625	\$ 14,378,598	\$ 27,892,990	\$ 15,120,089
Business-Type Activities					
Compensated Absences	\$ 116,985	\$ 48,038	\$ 54,095	\$ 110,928	\$ 48,038

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

The liability for unpaid claims is liquidated by the General Fund and the internal service funds. *Compensated absences* are generally liquidated by the General Fund and related special revenue funds.

As of June 30, 2019, annual debt service requirements of governmental activities to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Certificates of Participation</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,365,000	\$ 244,721
2021	1,410,000	208,544
2022	1,455,000	171,186
2023	1,505,000	132,647
2024	1,555,000	92,795
2025-2027	1,995,000	91,459
Total	<u>\$ 9,285,000</u>	<u>\$ 941,352</u>

Long-term debt at June 30, 2019, consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2019</u>
Governmental Activities						
Certificates of Participation:						
2012 Issue to Refund the Outstanding Principal of the County's COP 2003 Series A						
Certificates of Participation	2012	2026	2.53% - 2.80%	\$365,000 - \$670,000	\$ 9,490,000	\$ 4,680,000
2012 Issue to Refund the Outstanding Principal of the County's COP 2004 Series A						
Certificates of Participation	2012	2024	2.53% - 2.80%	\$185,000 - \$315,000	2,905,000	1,425,000
2012 Issue for Capital Projects of Earthquake and Juvenile Hall						
Certificates of Participation	2012	2027	2.53% - 2.80%	\$266,680 - \$362,500	5,465,000	3,180,000
Total Governmental Activities					<u>\$ 17,860,000</u>	<u>\$ 9,285,000</u>

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 NET POSITION/FUND BALANCES**Classification**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2019 is as follows:

	General Fund	Headwaters Fund	Road Fund	Other Governmental Funds	Total
Nonspendable:					
Prepays and Inventory	\$ 138,641	\$ -	\$ -	\$ 5,157	\$ 143,798
Total Nonspendable	138,641	-	-	5,157	143,798
Restricted for:					
General Government	9,720,508	-	-	-	9,720,508
Public Projection	25,948,891	-	-	2,864,433	28,813,324
Public Ways and Facilities	5,294,705	-	166,887	-	5,461,592
Health and Sanitation	19,744,502	-	-	-	19,744,502
Public Assistance	6,753,696	-	-	-	6,753,696
Education	499,894	-	-	1,223,580	1,723,474
Recreation	21,194	-	-	-	21,194
Economic Development	19,664,263	17,570,885	-	-	37,235,148
Debt Service	-	-	-	1,112,743	1,112,743
Total Restrictions	87,647,653	17,570,885	166,887	5,200,756	110,586,181
Committed for:					
Pensions	5,585,600	-	-	-	5,585,600
Assigned for:					
General Reserve	4,610,337	-	-	-	4,610,337
Unassigned	1,604,061	-	-	(1,111,143)	492,918
Total Fund Balance	<u>\$ 99,586,292</u>	<u>\$ 17,570,885</u>	<u>\$ 166,887</u>	<u>\$ 4,094,770</u>	<u>\$ 121,418,834</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

NOTE 8 PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the County’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by state statute and County’s resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	7% - 8%	7% - 8%
Required Employer Contribution Rates	22.747%	22.747% - 24.487%
	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	9.00%	10.75%
Required Employer Contribution Rates	29.097%	29.097% - 33.181%

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	3,184	279
Inactive Employees Entitled to but not yet Receiving Benefits	2,749	199
Active Employees	1,818	308
Total	7,751	786

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)
Mortality	Derived using CalPERS’ Membership Data for all Funds	
Postretirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.75% Thereafter	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

EXHIBIT E

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11 + (b)</u>
Global Equity	50.0 %	4.80 %	5.98 %
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
Total	<u>100.0 %</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan are as follows:

	<u>Miscellaneous Plan</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at June 30, 2018	\$ 662,835,890	\$ 456,222,460	\$ 206,613,430
Changes in the Year:			
Service Cost	15,973,515	-	15,973,515
Interest on the Total Pension Liability	49,302,934	-	49,302,934
Benefit Payments, Including Refunds of Employee Contributions	(36,338,982)	(36,338,982)	-
Changes of Assumptions Differences Between Expected and Actual Experience	(4,905,718)	-	(4,905,718)
Plan to Plan Resource Movement	11,848,842	-	11,848,842
	-	(1,176)	1,176
Contribution - Employer	-	20,258,811	(20,258,811)
Contribution - Employee	-	9,206,174	(9,206,174)
Net Investment Income	-	40,029,368	(40,029,368)
Administrative Expenses	-	(743,049)	743,049
Other Expenses	-	(1,411,063)	1,411,063
Change of Allocation	29,955,265	20,617,871	9,337,394
Net Changes	<u>65,835,856</u>	<u>51,617,954</u>	<u>14,217,902</u>
Balance at June 30, 2019 (Measurement Date June 30, 2018)	<u>\$ 728,671,746</u>	<u>\$ 507,840,414</u>	<u>\$ 220,831,332</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

	Safety Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018	\$ 208,282,730	\$ 146,580,939	\$ 61,701,791
Changes in the Year:			
Service Cost	4,982,401	-	4,982,401
Interest on the Total Pension Liability	14,860,932	-	14,860,932
Changes of Assumptions	(606,417)	-	(606,417)
Differences Between Expected and Actual Experience	2,510,714	-	2,510,714
Benefit Payments, Including Refunds of Employee Contributions	(9,666,050)	(9,666,050)	-
Plan to Plan Resource Movement	-	(362)	362
Contribution - Employer	-	5,565,876	(5,565,876)
Contribution - Employee	-	2,174,222	(2,174,222)
Net Investment Income	-	12,286,593	(12,286,593)
Administrative Expenses	-	(228,413)	228,413
Other Expenses	-	(433,761)	433,761
Net Changes	<u>12,081,580</u>	<u>9,698,105</u>	<u>2,383,475</u>
Balance at June 30, 2019 <i>(Measurement Date June 30, 2018)</i>	<u>\$ 220,364,310</u>	<u>\$ 156,279,044</u>	<u>\$ 64,085,266</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease in Discount Rate <u>6.15%</u>	Discount Rate <u>7.15%</u>	1% Increase in Discount Rate <u>8.15%</u>
Miscellaneous	\$ 312,048,507	\$ 220,831,332	\$ 144,790,065
Safety	95,208,512	64,085,266	38,662,511

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the County recognized pension expense of \$32,177,288 and \$8,884,396 for its miscellaneous and safety plans, respectively. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 22,495,592	\$ -
Differences Between Actual and Expected Experience	8,258,284	2,518,391
Changes in Assumptions	12,941,745	3,419,136
Net Differences Between Projected and Actual Earnings on Plan Investments	1,384,125	-
Total	<u>\$ 45,079,746</u>	<u>\$ 5,937,527</u>

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,841,920	\$ -
Differences Between Actual and Expected Experience	1,883,035	1,842,909
Changes in Assumptions	5,771,788	454,813
Net Differences Between Projected and Actual Earnings on Plan Investments	508,533	-
Total	<u>\$ 14,005,276</u>	<u>\$ 2,297,722</u>

The County reported \$28,337,512 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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 Ending June 30,	Miscellaneous	Safety
2020	\$ 17,602,867	\$ 4,434,974
2021	4,476,381	2,792,645
2022	(4,166,292)	(979,613)
2024	(1,266,329)	(382,372)
Thereafter	-	-

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a flexible benefits plan, with contributions made to the plan up to a dollar amount determined by collective bargaining, including \$105.00 per month that the County designates for PEMHCA. The \$105.00 per month was increased by law to \$108.00 for 2011, and will be indexed with medical inflation (CPI) for years 2011 and thereafter.

Postretirement Coverage

The County also offers PEMHCA to its retirees. The County makes the required statutory PEMHCA contribution as described above. Prior to 2011, the County made additional contributions to a small number of retirees with special agreements, which have now been settled. The County pays a 0.36%-of-premium administrative fee to PEMHCA for each retiree.

Healthcare Premiums

The following table shows January 1, 2015 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region:

	Blue Shield NV HMO	PERS Select PPO	PERS Choice PPO	PERS Care PPO	PORAC
<u>Basic Plan</u>					
Retiree	\$ 753.82	\$ 646.35	\$ 725.54	\$ 656.08	\$ 675.00
Retiree + 1	1,507.64	1,292.70	1,451.08	1,312.16	1,292.00
Family	1,959.93	1,680.51	1,886.40	1,705.81	1,642.00
<u>Medicare Supplement</u>					
Retiree	\$ 352.63	\$ 339.47	\$ 368.76	\$ 339.47	\$ 402.00
Retiree + 1	705.26	678.49	737.52	678.49	802.00
Family	1,057.89	1,018.41	1,106.28	1,018.41	1,281.00

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

B. Actuarial Assumptions

The Net OPEB Liability was determined using an actuarial valuation as of June 30, 2018, using the following assumptions:

Actuarial Assumption	June 30, 2018 Measurement Date
Actuarial Valuation Date	June 30, 2017
Discount Rate	3.62% Unfunded, therefor the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as the valuation date.
Inflation	2.50%
Mortality Rates:	Based on CalPERS tables.
Salary Increases	2.75%. Additional merit-based on CalPERS merit salary increase tables.
Investment Rate of Return	3.50%
Healthcare Cost Trend Rates	6.50%, trending down to 3.84% over 58 years

C. Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Active employees	1,930
Inactive employees currently receiving benefits	<u>598</u>
Total	<u><u>2,528</u></u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

D. Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability as of June 30, 2019.

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2018 <i>(Valuation Date June 30, 2017)</i>	\$ 41,392,660
Changes recognized for the measurement period:	
Service cost	2,647,674
Interest	1,509,753
Benefit payments	(751,789)
Change of assumptions	(425,810)
Difference between expected and actual experience	(37,773)
Implicit rate subsidy fulfilled	(1,057,288)
Net changes	1,884,767
Balance at June 30, 2019 <i>(Measurement Date June 30, 2018)</i>	\$ 43,277,427

E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized OPEB expense of \$4,103,521. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in gain/loss, and actuarial assumptions or method. At June 30, 2019, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,892,005	\$ -
Change of assumptions	-	376,297
Differences between expected and actual experience	-	33,380
Total	\$ 1,892,005	\$ 409,677

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

The \$1,892,005 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows::

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2020	\$ (53,906)
2021	(53,906)
2022	(53,906)
2023	(53,906)
2024	(53,906)
Remaining	(140,147)

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	(2.62%)	(3.62%)	(4.62%)
Total OPEB Liability	\$49,304,991	\$ 43,277,427	\$38,333,675

G. Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the net OPEB liability of the County, as well as what the County net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease 5.50%	Trend Rates 6.50%	1% Increase 7.50%
	decreasing to 2.84%	decreasing to 3.84%	decreasing to 4.84%
Total OPEB Liability	\$37,336,101	\$ 43,277,427	\$50,755,553

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

EXHIBIT E

NOTE 10 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and health and welfare of employees. The County has established a self-insurance fund (an internal service fund) to account for and finance these possible risks of loss. Under this program, the Self-Insurance Fund provides the following coverage per occurrence:

Property	\$	5,000
Liability		150,000
Auto Physical Damage		10,000
Dental		1,000
Unemployment		Various

The County purchases excess insurance through risk pools and commercial carriers for claims in excess of coverage provided by the fund and all other risks of loss. The County pays an annual basic premium for coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Changes in the Fund's claims liability amounts for the past fiscal years were:

	2019			
	Balance at June 30, 2018	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30, 2019
Liability and Auto	\$ 2,179,000	\$ 66,695	\$ (372,695)	\$ 1,873,000
Dental	127,255	1,367,131	(1,367,131)	127,255
Unemployment	69,373	281,381	(263,422)	87,332
Total	\$ 2,375,628	\$ 1,715,207	\$ (2,003,248)	\$ 2,087,587

	2018			
	Balance at June 30, 2017	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30, 2018
Liability and Auto	\$ 2,088,000	\$ 541,256	\$ (450,256)	\$ 2,179,000
Dental	125,314	1,327,011	(1,325,070)	127,255
Unemployment	74,451	68,232	(73,310)	69,373
Total	\$ 2,287,765	\$ 1,936,499	\$ (1,848,636)	\$ 2,375,628

The claims liability, including incurred but not reported claims, were based on actuarial reviews. Actuarial review of the liability program was performed by Bickmore Risk Services in November of 2014. Actuarial review of the unemployment program was performed by Bickmore Risk Services in December 2014. An actuarial review of the dental program was last performed by Demsey, Filliger and Associates in May 2012.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

EXHIBIT E

All claims are processed and administered by claims administrators as follows:

Property	Assigned by CSAC Excess Insurance Authority
Liability and Auto	County Risk Manager
Dental	Preferred Benefit Insurance Administration, Inc.
Unemployment	Tax Corporation

NOTE 11 JOINT VENTURES

The County participates in several joint ventures under joint powers agreement (JPAs). The relationship between the County and the JPAs is such that none of the JPAs is a component unit of the County for financial reporting purposes.

The County participated in the following JPAs at June 30, 2019:

- CSAC Excess Insurance Authority
- Humboldt Transit Authority
- North Coast Air Quality Management District
- Humboldt County Association of Government Trusts
- Redwood Cost Energy Authority
- Redwood Regional Economic Development Commission
- North Coast Emergency Medical Services
- Humboldt County Waste Management Authority

The CSAC Excess Insurance Authority is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Code. The purpose of the entity is to develop and fund programs of primary and excess insurance for workers' compensation, comprehensive liability, and other insurance coverages for member counties. The Authority is under the control and direction of a board of directors consisting of representatives of the 53 member counties.

Financial statements for the Authority are produced annually and may be obtained by writing to the CSAC Excess Insurance Authority, 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Grants

The County participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including the year ended June 30, 2019, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County believes that such disallowances, if any, would not have a material effect on the combined financial statements.

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

B. Legal Actions

In the opinion of County Counsel, there are potential liabilities as of June 30, 2019 which could result in monetary rewards against the County if unfavorable decisions are rendered. The County does not make provisions for potential awards.

C. Construction Commitments

The County had entered into contracts for the construction of certain projects. At June 30, 2019, there were outstanding commitments of \$29,197,040 for road, bridge and building projects.

NOTE 13 DEFICIT NET POSITION

The following funds had a net position deficit as of the fiscal year end:

	Accumulated Deficit
Northcoast Resource Partnership	\$ 814,698
Debt Service	296,445

The internal service fund deficits are due to expenses in excess of user charges. These deficits will be funded by increased user charges.

NOTE 14 SUBSEQUENT EVENTS

COVID-19

Subsequent to year end, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the County of Humboldt, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the County of Humboldt is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Settlement

On August 20, 2020, the County entered into a settlement agreement resulting in a payout of \$600,000.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019

EXHIBIT E

Last 10 Fiscal Years*	Safety Plans				
	2018	2017	June 30, 2016	2015	2014
TOTAL PENSION LIABILITY					
Service Cost	\$ 4,982,401	\$ 4,640,621	\$ 4,080,379	\$ 4,164,088	\$ 4,185,384
Interest on Total Pension Liability	14,860,932	14,038,633	13,624,602	13,034,283	12,485,789
Changes of Assumptions	(606,417)	12,184,884	-	(3,323,361)	-
Differences Between Expected and Actual Experience	2,510,714	(3,324,947)	(1,272,685)	(1,673,748)	-
Benefit payments, Including Refunds of Employee Contributions	(9,666,050)	(8,841,462)	(8,358,315)	(7,976,174)	(7,539,487)
NET CHANGE IN TOTAL PENSION LIABILITY	12,081,580	18,697,729	8,073,981	4,225,088	9,131,686
Total Pension Liability - Beginning	208,282,730	189,585,001	181,511,020	177,285,932	168,154,246
TOTAL PENSION LIABILITY - ENDING	\$ 220,364,310	\$ 208,282,730	\$ 189,585,001	\$ 181,511,020	\$ 177,285,932
PLAN FIDUCIARY NET POSITION					
Plan-to-Plan Resource Movement	\$ (362)	\$ 18,284	\$ (957)	\$ 63,796	\$ -
Contributions - Employer	5,565,876	5,249,061	4,757,426	4,429,607	4,123,350
Contributions - Employee	2,174,222	1,909,048	1,496,334	1,439,592	1,562,669
Net Investment Income	12,286,593	14,835,660	695,008	2,952,599	20,056,375
Benefit Payments, Including Refunds of Employee Contributions	(9,666,050)	(8,841,462)	(8,358,315)	(7,976,174)	(7,539,487)
Administrative Expense	(228,413)	(197,263)	(82,337)	(151,945)	-
Other Expense	(433,761)	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	9,698,105	12,973,328	(1,492,841)	757,475	18,202,907
Plan Fiduciary Net Position - Beginning	146,580,939	133,607,611	135,100,452	134,342,977	116,140,070
PLAN FIDUCIARY NET POSITION - ENDING	\$ 156,279,044	\$ 146,580,939	\$ 133,607,611	\$ 135,100,452	\$ 134,342,977
NET PENSION LIABILITY - ENDING	\$ 64,085,266	\$ 61,701,791	\$ 55,977,390	\$ 46,410,568	\$ 42,942,955
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.92%	70.38%	70.47%	74.43%	75.78%
Covered Payroll	\$ 17,149,943	\$ 15,975,698	\$ 15,694,368	\$ 15,854,736	\$ 15,327,146
Net Pension Liability as a Percentage of Covered Payroll	373.68%	386.22%	356.67%	292.72%	280.18%

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

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019

EXHIBIT E

Last 10 Fiscal Years*

	Miscellaneous Plans				
	2018	2017	June 30, 2016	2015	2014
TOTAL PENSION LIABILITY					
Service Cost	\$ 15,973,515	\$ 14,807,223	\$ 13,541,216	\$ 14,413,398	\$ 14,832,034
Interest on Total Pension Liability	49,302,934	44,815,103	44,217,175	42,412,478	40,445,800
Changes of Assumptions	(4,905,718)	34,895,188	-	(9,694,226)	-
Differences Between Expected and Actual Experience	11,848,842	(6,283,979)	(5,632,041)	(2,886,636)	-
Benefit payments, Including Refunds of Employee Contributions	(36,338,982)	(32,334,940)	(30,746,413)	(28,451,183)	(26,255,798)
Change of Allocation	29,955,265	(6,679,562)	2,431,847	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	65,835,856	49,219,033	23,811,784	15,793,831	29,022,036
Total Pension Liability - Beginning	662,835,890	613,616,857	589,805,073	574,011,242	544,989,205
TOTAL PENSION LIABILITY - ENDING	\$ 728,671,746	\$ 662,835,890	\$ 613,616,857	\$ 589,805,073	\$ 574,011,241
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 20,258,811	\$ 17,968,022	\$ 17,903,857	\$ 17,054,037	\$ 17,041,711
Contributions - Employee	9,206,174	7,488,725	5,790,381	5,870,207	6,421,943
Net Investment Income	40,029,368	46,381,283	2,264,291	9,592,039	62,764,661
Benefit Payments, Including Refunds of Employee Contributions	(36,338,982)	(32,334,940)	(30,746,413)	(28,451,182)	(26,255,798)
Plan-to-Plan Resource Movement	(1,176)	(16,776)	888	12,495	-
Administrative Expense	(743,049)	(616,193)	(260,230)	(478,678)	-
Other Expense	(1,411,063)	-	-	-	-
Change of Allocation	20,617,871	(4,593,111)	1,753,319	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	51,617,954	34,277,010	(3,293,907)	3,598,918	59,972,517
Plan Fiduciary Net Position - Beginning	456,222,460	421,945,450	425,239,357	421,640,439	361,667,922
PLAN FIDUCIARY NET POSITION - ENDING	\$ 507,840,414	\$ 456,222,460	\$ 421,945,450	\$ 425,239,357	\$ 421,640,439
NET PENSION LIABILITY - ENDING	\$ 220,831,332	\$ 206,613,430	\$ 191,671,407	\$ 164,565,716	\$ 152,370,802
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.69%	68.83%	68.76%	72.10%	73.46%
Covered Payroll	\$ 90,543,756	\$ 85,210,721	\$ 83,148,866	\$ 86,528,224	\$ 83,737,864
Net Pension Liability as a Percentage of Covered Payroll	243.89%	242.47%	230.52%	190.19%	181.96%

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

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

	Safety				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 5,851,920	\$ 5,872,050	\$ 5,249,061	\$ 4,757,426	\$ 4,429,607
Contributions Related to the Actuarially Determined Contribution	5,851,920	5,872,050	5,249,061	4,757,426	4,429,607
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 17,492,942	\$ 17,149,943	\$ 15,975,698	\$ 15,694,368	\$ 15,854,736
Contributions as a Percentage of Covered Payroll	33.45 %	34.24 %	32.86 %	30.31 %	27.94 %
	Miscellaneous				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 22,495,592	\$ 20,100,573	\$ 19,582,944	\$ 19,300,602	\$ 18,460,286
Contributions Related to the Actuarially Determined Contribution	22,495,592	20,100,573	19,582,944	19,300,602	18,460,286
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 92,354,631	\$ 90,543,756	\$ 85,210,731	\$ 83,148,866	\$ 86,258,224
Contributions as a Percentage of Covered Payroll	24.36%	22.20%	22.98%	23.21%	21.40%

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

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES TO NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019

Last 10 Fiscal Years*	<u>Reporting Year</u> <u>June 30, 2019</u>	<u>Reporting Year</u> <u>June 30, 2018</u>
TOTAL OPEB LIABILITY		
Service Cost	\$ 2,647,674	\$ 2,573,681
Interest on Total OPEB Liability	1,509,753	1,429,674
Difference between expected and actual experience	(37,773)	-
Change of assumptions	(425,810)	-
Benefit Payments	(751,789)	(733,082)
Implicit Rate Subsidy Fulfilled	<u>(1,057,288)</u>	<u>(1,021,534)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	1,884,767	2,248,739
Total OPEB Liability - Beginning	<u>41,392,660</u>	<u>39,143,921</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 43,277,427</u></u>	<u><u>\$ 41,392,660</u></u>
Covered Employee Payroll	\$ 106,830,722	\$ 103,971,506
Net OPEB Liability as a Percentage of		
Covered Employee Payroll	40.51%	39.81%

*Fiscal year 2018 was the first year of implementation. Additional years will be presented as they become available.

**COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 77,370,296	\$ 87,259,932	\$ 78,828,486	\$ (8,431,446)
Licenses and Permits	4,374,344	5,555,344	4,700,105	(855,239)
Fines, Forfeits, and Penalties	3,883,807	3,903,714	4,787,515	883,801
Use of Money and Property	285,122	285,122	739,229	454,107
Aid from Other Governments	220,306,573	230,668,396	166,134,346	(64,534,050)
Charges for Services	53,364,417	53,593,022	37,462,720	(16,130,302)
Other Revenue	12,964,668	13,702,796	2,421,550	(11,281,246)
Total Revenues	<u>372,549,227</u>	<u>394,968,326</u>	<u>295,073,951</u>	<u>(99,894,375)</u>
EXPENDITURES				
Current:				
General Government	56,057,308	60,514,395	21,813,747	38,700,648
Public Protection	90,386,555	96,213,128	85,220,580	10,992,548
Public Way and Facilities	2,683,381	2,683,381	2,664,722	18,659
Health and Sanitation	87,113,115	88,982,260	80,241,787	8,740,473
Public Assistance	133,001,066	138,467,627	118,583,154	19,884,473
Education	193,362	193,362	180,123	13,239
Recreation and Culture	2,103,663	2,192,142	1,538,387	653,755
Contingencies	3,085,218	6,941,680	-	6,941,680
Total Expenditures	<u>374,623,668</u>	<u>396,187,975</u>	<u>310,242,500</u>	<u>85,945,475</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,074,441)</u>	<u>(1,219,649)</u>	<u>(15,168,549)</u>	<u>(13,948,900)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	9,499,404	10,325,636	3,930,039	(6,395,597)
Transfers Out	(12,940,488)	(23,815,233)	(9,907,374)	13,907,859
Total Other Financing Sources (Uses)	<u>(3,441,084)</u>	<u>(13,489,597)</u>	<u>(5,977,335)</u>	<u>7,512,262</u>
NET CHANGE IN FUND BALANCES	(5,515,525)	(14,709,246)	(21,145,884)	(6,436,638)
Budgetary Fund Balances, Beginning of Year	<u>32,783,190</u>	<u>32,783,190</u>	<u>32,783,190</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ 27,267,665</u>	<u>\$ 18,073,944</u>	<u>\$ 11,637,306</u>	<u>\$ (6,436,638)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

(1) Explanation of differences between statement of revenues, expenditures and changes in fund balance:

Sources/Inflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 295,073,951
Receipts from Funds Reclassified from County Agency Funds, Not Budgeted	<u>16,621,529</u>
 Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 311,695,480</u>

Uses/Outflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 310,242,500
Disbursements from Funds Reclassified from County Agency Funds, Not Budgeted	<u>4,146,494</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 314,388,994</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,810,200	\$ 2,810,200	\$ 3,570,707	\$ 760,507
Licenses and Permits	69,350	69,350	103,748	34,398
Use of Money and Property	(15,000)	(15,000)	(25,318)	(10,318)
Aid from Other Governments	24,563,504	25,217,303	20,901,158	(4,316,145)
Charges for Services	681,000	681,000	1,034,393	353,393
Other Revenue	1,008,030	1,008,030	36,233	(971,797)
Total Revenues	<u>29,117,084</u>	<u>29,770,883</u>	<u>25,620,921</u>	<u>(4,149,962)</u>
EXPENDITURES				
Current:				
Public Way and Facilities	29,526,689	29,531,689	24,887,762	4,643,927
Total Expenditures	<u>29,526,689</u>	<u>29,531,689</u>	<u>24,887,762</u>	<u>4,643,927</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(409,605)</u>	<u>239,194</u>	<u>733,159</u>	<u>493,965</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,000	10,235	5,235
Transfers Out	(50,788)	(50,788)	(49,773)	1,015
Total Other Financing Sources (Uses)	<u>(50,788)</u>	<u>(45,788)</u>	<u>(39,538)</u>	<u>6,250</u>
NET CHANGE IN FUND BALANCES	(460,393)	193,406	693,621	500,215
Budgetary Fund Balances, Beginning of Year	<u>(526,734)</u>	<u>(526,734)</u>	<u>(526,734)</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ (987,127)</u>	<u>\$ (333,328)</u>	<u>\$ 166,887</u>	<u>\$ 500,215</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

EXHIBIT E

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

General Budget Policies

By state law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption. However, due to the lateness of the adoption of the state budget, the County by resolution R03-058 has extended these periods to August 10 and October 2, respectively.

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by resolution during the fiscal year. Department heads may, upon approval of the Auditor-Controller, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the Board. It is this final revised budget that is presented in the basic financial statements. Appropriations lapse at year-end.

Budgets are adopted for the general fund 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. The County does not adopt a budget for the Headwaters Mitigation Fund.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate publication presenting this information is available.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources restricted, committed, or assigned to pay debt principal and interest.

**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

EXHIBIT E

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
ASSETS				
Cash and Investments	\$ 2,116,503	\$ 1,112,743	\$ 1,375,584	\$ 30,748
Departmental Cash Funds	-	-	865	-
Receivables	-	-	-	-
Prepays	5,157	-	-	-
Advances to Other Funds	-	-	-	-
Total Assets	<u>\$ 2,121,660</u>	<u>\$ 1,112,743</u>	<u>\$ 1,376,449</u>	<u>\$ 30,748</u>
LIABILITIES				
Accounts Payable	\$ 26,216	\$ -	\$ 67,818	\$ 3,402
Salaries and Benefits Payable	126,746	-	85,051	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>152,962</u>	<u>-</u>	<u>152,869</u>	<u>3,402</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	5,157	-	-	-
Restricted	1,963,541	1,112,743	1,223,580	27,346
Unassigned	-	-	-	-
Total Fund Balances	<u>1,968,698</u>	<u>1,112,743</u>	<u>1,223,580</u>	<u>27,346</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,121,660</u>	<u>\$ 1,112,743</u>	<u>\$ 1,376,449</u>	<u>\$ 30,748</u>

**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

EXHIBIT E

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts Under County Board of Supervisors	Debt Service	Total
ASSETS				
Cash and Investments	\$ -	\$ 911,372	\$ -	\$ 5,546,950
Departmental Cash Funds	-	-	-	865
Receivables	59,416	-	-	59,416
Prepays	-	-	-	5,157
Advances to Other Funds	-	-	-	-
Total Assets	\$ 59,416	\$ 911,372	\$ -	\$ 5,612,388
LIABILITIES				
Accounts Payable	\$ 270,608	\$ 37,826	\$ -	\$ 405,870
Salaries and Benefits Payable	14,117	-	-	225,914
Due to Other Funds	589,389	-	296,445	885,834
Total Liabilities	874,114	37,826	296,445	1,517,618
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	5,157
Restricted	-	873,546	-	5,200,756
Unassigned	(814,698)	-	(296,445)	(1,111,143)
Total Fund Balances	(814,698)	873,546	(296,445)	4,094,770
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,416	\$ 911,372	\$ -	\$ 5,612,388

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
REVENUES				
Taxes	\$ -	\$ -	\$ 2,681,969	\$ -
Licenses and Permits	-	-	-	-
Fines, Forfeitures, and Penalties	-	390,501	-	7,956
Use of Money and Property	34,608	20,539	15,811	524
Intergovernmental	4,561,052	-	410,165	-
Charges for Services	-	-	55,468	-
Miscellaneous	-	-	315,931	-
Total Revenues	<u>4,595,660</u>	<u>411,040</u>	<u>3,479,344</u>	<u>8,480</u>
EXPENDITURES				
Current:				
Public Protection	4,341,609	-	-	10,402
Education	-	-	3,598,876	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	13,405	-	-
Total Expenditures	<u>4,341,609</u>	<u>13,405</u>	<u>3,598,876</u>	<u>10,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	254,051	397,635	(119,532)	(1,922)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	395,603	-
Transfers Out	(22,471)	(870,190)	(69,766)	-
Total Other Financing Sources (Uses)	<u>(22,471)</u>	<u>(870,190)</u>	<u>325,837</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	231,580	(472,555)	206,305	(1,922)
Fund Balances - Beginning of Year	<u>1,737,118</u>	<u>1,585,298</u>	<u>1,017,275</u>	<u>29,268</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,968,698</u>	<u>\$ 1,112,743</u>	<u>\$ 1,223,580</u>	<u>\$ 27,346</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts Under County Board of Supervisors	Debt Service	Total
REVENUES				
Taxes	\$ -	\$ 388,358	\$ -	\$ 3,070,327
Licenses and Permits	-	42	-	42
Fines, Forfeitures, and Penalties	-	-	-	398,457
Use of Money and Property	(1,018)	14,341	2,851	87,656
Intergovernmental	7,602,279	65,745	-	12,639,241
Charges for Services	24,673	-	-	80,141
Miscellaneous	-	20,686	14,340	350,957
Total Revenues	7,625,934	489,172	17,191	16,626,821
EXPENDITURES				
Current:				
Public Protection	8,876,842	207,560	-	13,436,413
Education	-	-	-	3,598,876
Debt Service:				
Principal	-	-	1,330,000	1,330,000
Interest and Other Charges	-	-	280,133	293,538
Total Expenditures	8,876,842	207,560	1,610,133	18,658,827
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,250,908)	281,612	(1,592,942)	(2,032,006)
OTHER FINANCING SOURCES (USES)				
Transfers In	817,108	-	1,641,128	2,853,839
Transfers Out	(2,627)	(182,631)	(338,454)	(1,486,139)
Total Other Financing Sources (Uses)	814,481	(182,631)	1,302,674	1,367,700
NET CHANGE IN FUND BALANCES	(436,427)	98,981	(290,268)	(664,306)
Fund Balances - Beginning of Year	(378,271)	774,565	(6,177)	4,759,076
FUND BALANCES - END OF YEAR	\$ (814,698)	\$ 873,546	\$ (296,445)	\$ 4,094,770

INTERNAL SERVICE FUNDS

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

EXHIBIT E

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,045,277	\$ 1,570,835	\$ 206,438	\$ 2,597,359
Accounts Receivable	2,215	-	-	-
Due from Other Funds	-	-	-	-
Prepaid Expenses	-	1,031	-	-
Total Current Assets	<u>2,047,492</u>	<u>1,571,866</u>	<u>206,438</u>	<u>2,597,359</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	-	-	1,152,714
Depreciable, Net of Depreciation	3,634,261	382,818	6,969	343,257
Total Noncurrent Assets	<u>3,634,261</u>	<u>382,818</u>	<u>6,969</u>	<u>1,495,971</u>
Total Assets	<u>5,681,753</u>	<u>1,954,684</u>	<u>213,407</u>	<u>4,093,330</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	142,473	266,688	1,106	68,377
Accrued Payroll and Benefits	27,178	75,534	10,719	3,273
Due to Other Funds	-	1,096,442	-	-
Capital Leases	291,492	-	-	-
Compensated Absences	32,218	76,139	7,769	1,933
Provision for Estimated Claims	-	-	-	-
Total Current Liabilities	<u>493,361</u>	<u>1,514,803</u>	<u>19,594</u>	<u>73,583</u>
Long-Term Liabilities:				
Capital Leases	1,078,981	-	-	-
Compensated Absences	3,682	24,454	5,006	123
Total Noncurrent Liabilities	<u>1,082,663</u>	<u>24,454</u>	<u>5,006</u>	<u>123</u>
Total Liabilities	<u>1,576,024</u>	<u>1,539,257</u>	<u>24,600</u>	<u>73,706</u>
NET POSITION				
Net Investment in Capital Assets	2,263,788	382,818	6,969	1,495,971
Unrestricted	1,841,941	32,609	181,838	2,523,653
Total Net Position	<u>\$ 4,105,729</u>	<u>\$ 415,427</u>	<u>\$ 188,807</u>	<u>\$ 4,019,624</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	Motor Pool	ADA Compliance	Insurance Funds	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,329,213	\$ 1,235,832	\$ 10,045,431	\$ 21,030,385
Accounts Receivable	-	-	-	2,215
Due from Other Funds	-	-	17,250	17,250
Prepaid Expenses	-	-	61,873	62,904
Total Current Assets	<u>3,329,213</u>	<u>1,235,832</u>	<u>10,124,554</u>	<u>21,112,754</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	-	-	1,152,714
Depreciable, Net of Depreciation	7,743,196	7,247	-	12,117,748
Total Noncurrent Assets	<u>7,743,196</u>	<u>7,247</u>	<u>-</u>	<u>13,270,462</u>
Total Assets	<u>11,072,409</u>	<u>1,243,079</u>	<u>10,124,554</u>	<u>34,383,216</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	219,547	327,600	454,194	1,479,985
Accrued Payroll and Benefits	20,779	19,181	33,250	189,914
Due to Other Funds	-	-	-	1,096,442
Capital Leases	-	-	-	291,492
Compensated Absences	33,263	40,481	54,776	246,579
Provision for Estimated Claims	-	-	2,087,587	2,087,587
Total Current Liabilities	<u>273,589</u>	<u>387,262</u>	<u>2,629,807</u>	<u>5,391,999</u>
Long-Term Liabilities:				
Capital Leases	-	-	-	1,078,981
Compensated Absences	17,281	81,839	-	132,385
Total Noncurrent Liabilities	<u>17,281</u>	<u>81,839</u>	<u>-</u>	<u>1,211,366</u>
Total Liabilities	<u>290,870</u>	<u>469,101</u>	<u>2,629,807</u>	<u>6,603,365</u>
NET POSITION				
Net Investment in Capital Assets	7,743,196	7,247	-	11,899,989
Unrestricted	3,038,343	766,731	7,494,747	15,879,862
Total Net Position	<u>\$ 10,781,539</u>	<u>\$ 773,978</u>	<u>\$ 7,494,747</u>	<u>\$ 27,779,851</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Heavy Equipment	Information Technology	Central Services	Communications
OPERATING REVENUES				
Charges for Services	\$ 2,774,948	\$ 3,710,108	\$ 287,578	\$ 151,427
Miscellaneous Revenues	123,105	12	29,187	29,502
Total Operating Revenues	<u>2,898,053</u>	<u>3,710,120</u>	<u>316,765</u>	<u>180,929</u>
OPERATING EXPENSES				
Salaries and Benefits	883,580	1,771,302	261,992	75,303
Services and Supplies	1,197,497	2,650,252	50,656	138,955
Self-Insurance Claims	-	-	-	-
Depreciation	369,909	249,971	4,548	65,480
Total Operating Expenses	<u>2,450,986</u>	<u>4,671,525</u>	<u>317,196</u>	<u>279,738</u>
NET OPERATING INCOME (LOSS)	<u>447,067</u>	<u>(961,405)</u>	<u>(431)</u>	<u>(98,809)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	20,663	-	-	-
Operating Grants	-	-	-	750,000
Contributions of Capital Assets	-	-	-	-
Sale of Capital Assets	-	2,400	-	-
Total Nonoperating Revenues (Expenses)	<u>20,663</u>	<u>2,400</u>	<u>-</u>	<u>750,000</u>
Income (Loss) Before Transfers	467,730	(959,005)	(431)	651,191
Capital Contributions	-	-	-	-
Transfers In	-	129,975	-	2,854,139
Transfers Out	(5,546)	(11,999)	(1,729)	(466)
CHANGE IN NET POSITION	462,184	(841,029)	(2,160)	3,504,864
Net Position - Beginning of Year	<u>3,643,545</u>	<u>1,256,456</u>	<u>190,967</u>	<u>514,760</u>
NET POSITION - END OF YEAR	<u>\$ 4,105,729</u>	<u>\$ 415,427</u>	<u>\$ 188,807</u>	<u>\$ 4,019,624</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Motor Pool	ADA Compliance	Insurance Funds	Total
OPERATING REVENUES				
Charges for Services	\$ 1,924,309	\$ 2,144,468	\$ 30,216,098	\$ 41,208,936
Miscellaneous Revenues	1,377,069	18,239	109,318	1,686,432
Total Operating Revenues	<u>3,301,378</u>	<u>2,162,707</u>	<u>30,325,416</u>	<u>42,895,368</u>
OPERATING EXPENSES				
Salaries and Benefits	580,652	462,843	501,166	4,536,838
Services and Supplies	2,034,420	1,111,816	27,325,565	34,509,161
Self-Insurance Claims	-	-	1,715,207	1,715,207
Depreciation	1,094,639	2,071	-	1,786,618
Total Operating Expenses	<u>3,709,711</u>	<u>1,576,730</u>	<u>29,541,938</u>	<u>42,547,824</u>
NET OPERATING INCOME (LOSS)	<u>(408,333)</u>	<u>585,977</u>	<u>783,478</u>	<u>347,544</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	63,420	25,365	129,386	238,834
Operating Grants	-	-	-	750,000
Contributions of Capital Assets	-	(1,854,641)	-	(1,854,641)
Sale of Capital Assets	38,283	-	-	40,683
Total Nonoperating Revenues (Expenses)	<u>101,703</u>	<u>(1,829,276)</u>	<u>129,386</u>	<u>(825,124)</u>
Income (Loss) Before Transfers	(306,630)	(1,243,299)	912,864	(477,580)
Capital Contributions	583,578	-	-	583,578
Transfers In	-	1,166,053	-	4,150,167
Transfers Out	(3,153)	(3,111)	(5,355)	(31,359)
CHANGE IN NET POSITION	273,795	(80,357)	907,509	4,224,806
Net Position - Beginning of Year	<u>10,507,744</u>	<u>854,335</u>	<u>6,587,238</u>	<u>23,555,045</u>
NET POSITION - END OF YEAR	<u>\$ 10,781,539</u>	<u>\$ 773,978</u>	<u>\$ 7,494,747</u>	<u>\$ 27,779,851</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Heavy Equipment	Information Technology	Central Services	Communications
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 2,898,739	\$ 3,710,120	\$ 316,765	\$ 180,929
Cash Paid to Suppliers for Goods and Services	(1,174,783)	(2,512,129)	(56,969)	(76,721)
Cash Paid to Employees	(877,842)	(1,728,571)	(267,295)	(74,979)
Net Cash Provided (Used) by Operating Activities	<u>846,114</u>	<u>(530,580)</u>	<u>(7,499)</u>	<u>29,229</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	-	-	-	750,000
Transfers From Other Funds	-	1,226,417	-	2,854,139
Transfers To Other Funds	(5,546)	(11,999)	(1,729)	(466)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(5,546)</u>	<u>1,214,418</u>	<u>(1,729)</u>	<u>3,603,673</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	-	-	-	-
Proceeds from Sale of Capital Assets	-	116,858	-	-
Purchase of Capital Assets	(238,860)	-	-	(1,164,889)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(238,860)</u>	<u>116,858</u>	<u>-</u>	<u>(1,164,889)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	<u>20,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	622,371	800,696	(9,228)	2,468,013
Cash and Cash Equivalents - Beginning of Year	<u>1,422,906</u>	<u>770,139</u>	<u>215,666</u>	<u>129,346</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,045,277</u>	<u>\$ 1,570,835</u>	<u>\$ 206,438</u>	<u>\$ 2,597,359</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Motor Pool	ADA Compliance	Insurance Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 3,308,014	\$ 2,162,707	\$ 30,308,435	\$ 42,885,709
Cash Paid to Suppliers for Goods and Services	(2,097,558)	(1,084,223)	(29,017,113)	(36,019,496)
Cash Paid to Employees	(557,864)	(428,606)	(491,073)	(4,426,230)
Net Cash Provided (Used) by Operating Activities	<u>652,592</u>	<u>649,878</u>	<u>800,249</u>	<u>2,439,983</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	-	-	-	750,000
Transfers From Other Funds	617,130	1,166,053	-	5,863,739
Transfers To Other Funds	(3,153)	(3,111)	(5,355)	(31,359)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>613,977</u>	<u>1,162,942</u>	<u>(5,355)</u>	<u>6,582,380</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	583,578	-	-	583,578
Proceeds from Sale of Capital Assets	-	-	-	116,858
Purchase of Capital Assets	(2,221,303)	(1,613,219)	-	(5,238,271)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,637,725)</u>	<u>(1,613,219)</u>	<u>-</u>	<u>(4,537,835)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	<u>63,420</u>	<u>25,365</u>	<u>129,386</u>	<u>238,834</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(307,736)	224,966	924,280	4,723,362
Cash and Cash Equivalents - Beginning of Year	<u>3,636,949</u>	<u>1,010,866</u>	<u>9,121,151</u>	<u>16,307,023</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,329,213</u>	<u>\$ 1,235,832</u>	<u>\$ 10,045,431</u>	<u>\$ 21,030,385</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 447,067	\$ (961,405)	\$ (431)	\$ (98,809)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	369,909	249,971	4,548	65,480
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	686	-	-	-
Inventory	-	-	-	-
Prepaid Expenses	-	(1,031)	-	2,500
Increase (decrease) in:				
Payables	22,714	139,154	(6,313)	59,734
Accrued Salaries and Benefits	2,056	18,277	1,963	368
Compensated Absences	3,682	24,454	(7,266)	(44)
Claims Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 846,114</u>	<u>\$ (530,580)</u>	<u>\$ (7,499)</u>	<u>\$ 29,229</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Motor Pool	ADA Compliance	Insurance Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (408,333)	\$ 585,977	\$ 783,478	\$ 347,544
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,094,639	2,071	-	1,786,618
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	6,636	-	(16,981)	(9,659)
Inventory	-	-	-	-
Prepaid Expenses	-	-	-	1,469
Increase (decrease) in:				
Payables	(63,138)	27,593	311,700	491,444
Accrued Salaries and Benefits	6,243	10,099	8,719	47,725
Compensated Absences	16,545	24,138	1,374	62,883
Claims Payable	-	-	(288,041)	(288,041)
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 652,592	\$ 649,878	\$ 800,249	\$ 2,439,983

INSURANCE FUNDS

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION
INSURANCE FUNDS
JUNE 30, 2019**

EXHIBIT E

	Dental	County Insurance	Workers' Compensation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 816,913	\$ 617,820	\$ 2,060,556
Accounts Receivable	184	-	315
Prepaid Expenses	28,000	-	-
Total Assets	845,097	617,820	2,060,871
LIABILITIES			
Current Liabilities:			
Accounts Payable	79,557	1,778	-
Accrued Payroll and Benefits	-	33,250	-
Liability for Compensated Absences	-	54,776	-
Provision for Estimated Claims	127,255	-	-
Total Current Liabilities	206,812	89,804	-
Total Liabilities	206,812	89,804	-
NET POSITION			
Unrestricted	638,285	528,016	2,060,871
Total Net Position	\$ 638,285	\$ 528,016	\$ 2,060,871

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2019**

EXHIBIT E

	Liability	Medical	Unemployment
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,420,668	\$ 1,693,959	\$ 1,105,041
Accounts Receivable	5,232	-	-
Prepaid Expenses	-	-	-
Total Assets	3,425,900	1,693,959	1,105,041
LIABILITIES			
Current Liabilities:			
Accounts Payable	181,382	-	35,974
Accrued Payroll and Benefits	-	-	-
Liability for Compensated Absences	-	-	-
Provision for Estimated Claims	1,873,000	-	87,332
Total Current Liabilities	2,054,382	-	123,306
Total Liabilities	2,054,382	-	123,306
NET POSITION			
Unrestricted	1,371,518	1,693,959	981,735
Total Net Position	\$ 1,371,518	\$ 1,693,959	\$ 981,735

**COUNTY OF HUMBOLDT
 COMBINING STATEMENT OF NET POSITION (CONTINUED)
 INSURANCE FUNDS
 JUNE 30, 2019**

EXHIBIT E

	Purchased Insurance Premium	Employee Benefits	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 200,266	\$ 130,208	\$10,045,431
Accounts Receivable	11,500	19	17,250
Prepaid Expenses	33,873	-	61,873
Total Assets	245,639	130,227	10,124,554
LIABILITIES			
Current Liabilities:			
Accounts Payable	140,722	14,781	454,194
Accrued Payroll and Benefits	-	-	33,250
Liability for Compensated Absences	-	-	54,776
Provision for Estimated Claims	-	-	2,087,587
Total Current Liabilities	140,722	14,781	2,629,807
Total Liabilities	140,722	14,781	2,629,807
NET POSITION			
Unrestricted	104,917	115,446	7,494,747
Total Net Position	\$ 104,917	\$ 115,446	\$ 7,494,747

**COUNTY OF HUMBOLDT
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Dental	County Insurance	Workers' Compensation
OPERATING REVENUES			
Charges for Services	\$ 1,562,598	\$ 715,987	\$ 4,672,219
Miscellaneous Revenues	-	-	109,253
Total Operating Revenues	1,562,598	715,987	4,781,472
OPERATING EXPENSES			
Salaries and Benefits	-	501,166	-
Services and Supplies	183,779	261,643	4,697,102
Self-Insurance Claims	1,367,131	-	-
Total Operating Expenses	1,550,910	762,809	4,697,102
NET OPERATING INCOME (LOSS)	11,688	(46,822)	84,370
NONOPERATING REVENUES (EXPENSES)			
Interest Income	13,009	13,557	15,008
Total Nonoperating Revenues (Expenses)	13,009	13,557	15,008
Income (Loss) Before Transfers	24,697	(33,265)	99,378
Transfers Out	-	(5,355)	-
CHANGE IN NET POSITION	24,697	(38,620)	99,378
Net Position - Beginning of Year	613,588	566,636	1,961,493
NET POSITION - END OF YEAR	\$ 638,285	\$ 528,016	\$ 2,060,871

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
OPERATING REVENUES			
Charges for Services	\$ 4,076,231	\$ 17,779,212	\$ 219,422
Miscellaneous Revenues	-	-	-
Total Operating Revenues	<u>4,076,231</u>	<u>17,779,212</u>	<u>219,422</u>
OPERATING EXPENSES			
Salaries and Benefits	-	-	-
Services and Supplies	3,081,731	17,717,775	58,628
Self-Insurance Claims	66,695	-	281,381
Total Operating Expenses	<u>3,148,426</u>	<u>17,717,775</u>	<u>340,009</u>
NET OPERATING INCOME (LOSS)	927,805	61,437	(120,587)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	45,489	19,857	18,770
Total Nonoperating Revenues (Expenses)	<u>45,489</u>	<u>19,857</u>	<u>18,770</u>
Income (Loss) Before Transfers	973,294	81,294	(101,817)
Transfers Out	-	-	-
CHANGE IN NET POSITION	973,294	81,294	(101,817)
Net Position - Beginning of Year	<u>398,224</u>	<u>1,612,665</u>	<u>1,083,552</u>
NET POSITION - END OF YEAR	<u>\$ 1,371,518</u>	<u>\$ 1,693,959</u>	<u>\$ 981,735</u>

**COUNTY OF HUMBOLDT
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION (CONTINUED)
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Purchased Insurance Premium	Insurance Benefits	Total
OPERATING REVENUES			
Charges for Services	\$ 745,992	\$ 444,437	\$ 30,216,098
Miscellaneous Revenues	65	-	109,318
Total Operating Revenues	746,057	444,437	30,325,416
OPERATING EXPENSES			
Salaries and Benefits	-	-	501,166
Services and Supplies	885,135	439,772	27,325,565
Self-Insurance Claims	-	-	1,715,207
Total Operating Expenses	885,135	439,772	29,541,938
NET OPERATING INCOME (LOSS)	(139,078)	4,665	783,478
NONOPERATING REVENUES (EXPENSES)			
Interest Income	987	2,709	129,386
Total Nonoperating Revenues (Expenses)	987	2,709	129,386
Income (Loss) Before Transfers	(138,091)	7,374	912,864
Transfers Out	-	-	(5,355)
CHANGE IN NET POSITION	(138,091)	7,374	907,509
Net Position - Beginning of Year	243,008	108,072	6,587,238
NET POSITION - END OF YEAR	\$ 104,917	\$ 115,446	\$ 7,494,747

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Dental	County Insurance	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 1,562,665	\$ 715,987	\$ 4,781,157
Cash Paid to Suppliers for Goods and Services	(1,498,768)	(260,960)	(4,697,302)
Cash Paid to Employees	-	(491,073)	-
Net Cash Provided (Used) by Operating Activities	<u>63,897</u>	<u>(36,046)</u>	<u>83,855</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	-	(5,355)	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(5,355)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	<u>13,009</u>	<u>13,557</u>	<u>15,008</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	76,906	(27,844)	98,863
Cash and Cash Equivalents - Beginning of Year	<u>740,007</u>	<u>645,664</u>	<u>1,961,693</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 816,913</u>	<u>\$ 617,820</u>	<u>\$ 2,060,556</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Liability	Medical	Unemployment
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 4,070,999	\$17,779,212	\$ 219,422
Cash Paid to Suppliers for Goods and Services	(3,382,491)	(17,717,775)	(286,076)
Cash Paid to Employees	-	-	-
Net Cash Provided (Used) by Operating Activities	688,508	61,437	(66,654)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	45,489	19,857	18,770
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	733,997	81,294	(47,884)
Cash and Cash Equivalents - Beginning of Year	2,686,671	1,612,665	1,152,925
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,420,668	\$ 1,693,959	\$ 1,105,041

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Purchased Insurance Premium	Employee Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 734,557	\$ 444,436	\$30,308,435
Cash Paid to Suppliers for Goods and Services	(748,750)	(424,991)	(29,017,113)
Cash Paid to Employees	-	-	(491,073)
Net Cash Provided (Used) by Operating Activities	<u>(14,193)</u>	<u>19,445</u>	<u>800,249</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	-	-	(5,355)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>(5,355)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	<u>987</u>	<u>2,709</u>	<u>129,386</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(13,206)	22,154	924,280
Cash and Cash Equivalents - Beginning of Year	<u>213,472</u>	<u>108,054</u>	<u>9,121,151</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 200,266</u>	<u>\$ 130,208</u>	<u>\$10,045,431</u>

**COUNTY OF HUMBOLDT
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Dental	County Insurance	Workers' Compensation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 11,688	\$ (46,822)	\$ 84,370
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	67	-	(315)
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Payables	52,142	683	(200)
Accrued Salaries and Benefits	-	8,719	-
Liability for Compensated Absences	-	1,374	-
Claims Payable	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ 63,897	\$ (36,046)	\$ 83,855

**COUNTY OF HUMBOLDT
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Liability	Medical	Unemployment
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 927,805	\$ 61,437	\$ (120,587)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(5,232)	-	-
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Payables	71,935	-	35,974
Accrued Salaries and Benefits	-	-	-
Liability for Compensated Absences	-	-	-
Claims Payable	(306,000)	-	17,959
Net Cash Provided (Used) by Operating Activities	\$ 688,508	\$ 61,437	\$ (66,654)

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2019**

EXHIBIT E

	Purchased Insurance Premium	Employee Benefits	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (139,078)	\$ 4,665	\$ 783,478
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(11,500)	(1)	(16,981)
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Payables	136,385	14,781	311,700
Accrued Salaries and Benefits	-	-	8,719
Liability for Compensated Absences	-	-	1,374
Claims Payable	-	-	(288,041)
Net Cash Provided (Used) by Operating Activities	\$ (14,193)	\$ 19,445	\$ 800,249

**COUNTY OF HUMBOLDT
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2019**



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Supervisors
County of Humboldt
Eureka, California

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Humboldt (County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 25, 2020. Our report included an adverse opinion for the omission of the discretely presented component unit, and unmodified opinions on all other opinion units.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001 through 2019-009 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-010 to be a significant deficiency.

Board of Supervisors
County of Humboldt

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
September 25, 2020



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Supervisors
County of Humboldt
Eureka, California

Report on Compliance for Each Major Federal Program

We have audited the County of Humboldt's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Board of Supervisors
County of Humboldt

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Board of Supervisors
County of Humboldt

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2019, and have issued our report thereon dated September 25, 2020, which contained an adverse opinion for the omission of the discretely presented component unit and unmodified opinions on all other opinion units. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
September 25, 2020

**COUNTY OF HUMBOLDT
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.578	15-10069 A03	\$ 1,129,421	\$ -
Nutrition, Education, Obesity Prevention	10.551	16-10150 A01	267,758	37,410
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		6,632,428	-
Passed through State Department of Health Services:				
CalFresh SSI Cash Out	10.561		370,278	
Subtotal SNAP Cluster			<u>7,270,464</u>	-
National School Lunch Program	10.555		43,628	-
Passed through U.S. Forest Service:				
USDA Forest Services Campground / Patrol Operations	10.704		2,567	
Passed through CA Fire Safe Council:				
FLASH USDA Clearinghouse Grant	10.664		42,805	-
Direct Programs:				
Title 3	10.665		316,848	-
Subtotal Forest Service Schools and Roads Cluster			<u>316,848</u>	-
Total U.S. Department of Agriculture			<u>\$ 8,805,733</u>	<u>\$ 37,410</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the State Department of Housing and Community Development:				
Community Development Block Grants Microenterprise	14.228	16-CDBG-11150	\$ 2,571,511	\$ -
Subtotal CDBG Cluster			<u>2,571,511</u>	-
HOME First Time Homebuyer Program - Outstanding Loan Balance	14.239	15-HOME-10612 Fund 3960	244,862	-
	14.239		<u>16,049,023</u>	-
			16,293,885	-
Passed through State Department of Public Health, Office of AIDS				
HOPWA	14.241	16-10297 A01	81,288	-
HART	14.267	CA1585L9T221600	72,829	-
Direct Program:				
Supportive Housing Program	14.235		80,278	-
Total U.S. Department of Housing and Urban Development			<u>\$ 19,099,791</u>	<u>\$ -</u>

**COUNTY OF HUMBOLDT
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed through to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Child Abuse Treatment (XT) Program	16.575		\$ 96,629	\$ -
Substance Abuse Prevention and Treatment (SAPT) Block Grant	16.575		66,957	-
Subtotal CFDA Number 16.575			163,586	-
Equitable Share Asset Forfeiture - Drug Task Force	16.922		76,695	-
Equitable Share Asset Forfeiture - Drug Task Force	16.922		84,603	-
Subtotal CFDA Number 16.922			161,298	-
Passed through Governor's Office of Emergency Services:				
Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	16.203		90,141	-
Passed through Drug Enforcement Agency (DEA):				
Domestic Cannabis Eradication/Suppression Program	16.579		85,487	-
Domestic Cannabis Eradication/Suppression Program	16.579		49,465	-
Subtotal CFDA Number 16.579			134,952	-
Passed through FBI:				
Organized Crime Drug Enforcement Task Forces	16.301		42,049	-
Passed through Office of Justice Programs:				
Bulletproof Vest Program (BVP)	16.607		6,166	-
Total U.S. Department of Justice			\$ 598,192	\$ -
<u>U.S. Department of Labor</u>				
Passed through State Employment Development Department:				
WIOA Slingshot Regional Planning Implementation	17.258	K9110012-1145	\$ 5,076	\$ 5,076
WIOA Slingshot Implementation	17.258	K7102030-1075	747,654	695,781
WIOA High Performing Boards	17.258	K7102030-1080	10,359	-
WIOA Regional Training Coordinator	17.258	K7102030-1087	120,874	-
WIOA Regional Training Coordinator	17.258	K9110012-1144	37,577	-
WIOA Regional Organizers	17.258	K7102030-1089	22,612	-
WIOA CalJOBS VOS	17.258	K7102030-1090	660	-
WIOA Slingshot Additional Funds	17.258	K7102030-1105	97,870	88,973
WIOA Adult Formula - Round 1	17.258	K9110012-201	44,512	40,061
WIOA Adult Formula - Round 1	17.258	K8106176-201	192	173
WIOA Adult Formula - Round 2	17.258	K9110012-202	205,747	201,493
WIOA Adult Formula - Round 2	17.258	K8106176-201	21,796	2,784
WIOA Regional Plan Implementation	17.258	K81060176-1122	374,603	316,690
Subtotal CFDA Number 17.258			1,689,532	1,351,031
WIOA Youth Formula	17.259	K8106176-301	48,354	37,543
WIOA Youth Formula	17.259	K9110012-301	271,586	227,661
Subtotal CFDA Number 17.259			319,940	265,204

**COUNTY OF HUMBOLDT
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed through to Subrecipients
WIOA Transfer Dislocated Worker to Adult	17.278	K8106176-500	15,515	-
WIOA Dislocated Worker - Round 1	17.278	K81060176-501	1,232	210
WIOA Dislocated Worker - Round 2	17.278	K81060176-502	32,463	29,993
WIOA Rapid Response - Round 1	17.278	K81060176-540	1,699	-
WIOA Rapid Response - Round 2	17.278	K81060176-541	13,490	5,899
WIOA Layoff Aversion - Round 1	17.278	K81060176-292	28	28
WIOA Layoff Aversion - Round 2	17.278	K81060176-293	1,477	1,477
WIOA Transfer Dislocated Worker to Adult	17.278	K9110012-499	10,000	9,000
WIOA Transfer Dislocated Worker to Adult	17.278	K9110012-500	963	-
WIOA Dislocated Worker - Round 1	17.278	K9110012-501	34,078	31,050
WIOA Dislocated Worker - Round 2	17.278	K9110012-502	114,598	110,498
WIOA Rapid Response - Round 1	17.278	K9110012-540	18,501	16,651
WIOA Rapid Response - Round 2	17.278	K9110012-541	91,918	82,727
WIOA Layoff Aversion - Round 1	17.278	K9110012-292	5,218	4,722
WIOA Layoff Aversion - Round 2	17.278	K9110012-293	9,729	8,844
Subtotal CFDA Number 17.278			350,909	301,099
Subtotal WIOA Cluster			2,360,381	1,917,334
Total U.S. Department of Labor			\$ 2,360,381	\$ 1,917,334
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Airport improvement program	20.106		3,464,355	-
Passed through State Department of Transportation:				
Highway Bridge Replacement & Rehabilitation	20.205		\$ 3,939,490	\$ -
Emergency Relief	20.205		1,110,467	-
Safe Routes to School	20.205		18,348	17,953
Ferry Boat Discretionary	20.205		30	-
Highway Safety Improvement Program	20.205		383,195	-
Subtotal Highway Planning and Construction Cluster			5,451,530	17,953
Total U.S. Department of Transportation			\$ 8,915,885	\$ 17,953
<u>U.S. Environmental Protection Agency</u>				
Direct Programs:				
EPA Brownfield Revolving Loan Fund	66.818	BF-96986701-0	\$ 136,548	\$ -
Passed through State Water Resource Control Board:				
Public Beach Safety Grant Program	66.472	D1714102	35,000	-
Total U.S. Environmental Protection Agency			\$ 171,548	\$ -

**COUNTY OF HUMBOLDT
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed through to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Passed through the State Department of Health Care Services:				
CHDP - Health Care Program for Children in Foster Care	93.994		141,144	-
CHDP - Foster Care Administration	93.994		14,712	-
CHDP - PPM&O	93.994		21,865	-
Passed through State Department of Public Health:				
California Home Visiting Program	93.994	15-10156	733,147	127,914
Maternal Child And Adolescent Health	93.994		256,099	-
Child Health and Disability Prevention	93.994		208,060	-
California Childrens Services	93.994		424,446	-
Subtotal CFDA Number 93.994			1,799,473	127,914
Hospital Preparedness Program	93.899	17-10155	178,581	-
HIV CARE Program X07 Funding	93.917	15-11054	245,298	-
HIV Care ADAP	93.917	16-10408	10,420	-
HIV CARE Program X08 Funding	93.917	16-10847	247,154	-
Subtotal CFDA 93.917			502,872	-
Immunization Local Assistance Funding	93.268	17-10318	85,914	-
Public Health Emergency Preparedness (PHEP)	93.069	17-10155	77,884	-
Public Health Emergency Preparedness (PHEP)	93.069	17-10155	682,055	-
Subtotal CFDA Number 93.069			759,939	-
California Safe and Active Communities Program Prescription Drug Overdose Prevention Project	93.136	16-10875	72,043	-
Passed through State Department of Social Services:				
Guardianship Assistance	93.090		58,714	-
Guardianship Assistance	93.090		456,869	-
Subtotal CFDA Number 93.090			515,583	-
Promoting Safe and Stable Families	93.556		95,265	-
Temporary Assistance for Needy Families	93.558		14,045,343	-
Temporary Assistance for Needy Families	93.558		2,928,454	-
Subtotal TANF Cluster			16,973,797	-
Adoptions Incentives	93.603		76,009	-
Refugee and Entrant Assistance State Administered Program	93.566		578	-
Refugee and Entrant Assistance State Administered Program Program	93.566		1,518	-
Subtotal CFDA Number 93.566			2,096	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		120,088	-
Foster Care Title IV-E	93.658		6,307,191	-
Foster Care Title IV-E	93.658		2,565,391	-
Subtotal CFDA Number 93.658			8,872,582	-

**COUNTY OF HUMBOLDT
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed through to Subrecipients
Adoption Assistance	93.659		464,202	-
Adoption Assistance	93.659		4,132,628	-
Subtotal CFDA Number 93.659			4,596,830	-
Social Services Block Grant	93.667		253,484	-
Social Services Block Grant	93.667		515,964	-
Subtotal CFDA Number 93.667			769,448	-
Chafee Foster Care Independence Program	93.674		86,715	-
Medical Assistance Program	93.778		10,068,828	-
Passed through the State Department of Health Care Services:				
CHDP - HCPCFC Caseload Realief	93.778		67,527	-
Subtotal Medicaid Cluster			10,136,355	-
Passed through SAMSHA:				
Drug Free Communities	93.276	2H79SP080807-06	82,402	-
Federal McKinney Projects for Assistance in Transition from Homelessness (PATH)	93.150		46,720	-
Community Mental Health Services Block Grant (MHBG)	93.958		777,996	-
Substance Abuse Prevention and Treatment (SAPT) Block Grant	93.959		832,916	-
Passed through State Department of Child Support Services:				
North Coast Regional Department of Child Support Services	93.563		2,868,032	-
Total U.S. Department of Health and Human Services			\$ 50,251,656	\$ 127,914
<u>Executive Office of the President</u>				
Passed through Northern CA HIDTA:				
High Intensity Drug Trafficking Area	95.001		\$ 4,957	\$ -
Total Executive Office of the President			\$ 4,957	\$ -

**COUNTY OF HUMBOLDT
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed through to Subrecipients
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
Disaster Grants - Public Assistance	97.036		\$ 1,387,259	\$ -
Passed through the Governor's Office of Emergency Services:				
Hazard Mitigation Grant Program FY18	97.039		99,394	-
Emergency Management Performance Grant FY18	97.042		152,445	-
Active Transportation Program	97.047		1,057	-
Homeland Security Grant Program FY16	97.067		152,499	-
Homeland Security Grant Program FY17	97.067		89,319	-
Subtotal CFDA Number 97.067			<u>241,818</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 1,881,973</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 92,090,116</u>	<u>\$ 2,100,611</u>

COUNTY OF HUMBOLDT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

NOTE 1 REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Humboldt. The County of Humboldt's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented based on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds and grant revenue in the Enterprise funds.

NOTE 4 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

NOTE 5 INDIRECT COST RATE

The County did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

**COUNTY OF HUMBOLDT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE 6 LOANS WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2019 as follows:

<u>Federal CFDA #</u>	<u>Program Title</u>	<u>SEFA June 30, 2019</u>	<u>FY 18/19 Paydowns</u>	<u>County Balance June 30, 2019</u>
14.228	Community Development Block Grants/States Program	\$ 2,571,511	\$ 1,535	\$ 2,569,976
14.239	HOME Investment Partnerships Program	16,049,023	160,554	15,907,969

NOTE 7 OTHER LOANS

Outstanding federally-funded program loans, carried balances as of June 30, 2019 as follows:

<u>Federal CFDA #</u>	<u>Program Title</u>	<u>Outstanding Loans June 30, 2019</u>
66.818	Brownsfield Loans	\$ 1,445,866

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

- Adverse for omission of discretely presented component unit, unmodified all other opinion unites
1. Type of Auditors' Report Issued:
 2. Internal Control over Financial Reporting:
 - Material Weakness(es) Identified? _____ X _____ Yes _____ No
 - Significant Deficiency(ies) Identified not Considered to be Material Weakness(es)? _____ X _____ Yes _____ No
 3. Noncompliance Matters to Financial Statements Noted? _____ Yes _____ X _____ No

Federal Awards

1. Internal Control over Major Programs:
 - Material Weakness(es) Identified? _____ Yes _____ X _____ No
 - Significant Deficiency(ies) Identified not Considered to be Material Weaknesses? _____ Yes _____ X _____ No
2. Type of Auditors' Report Issued on Compliance for Major Programs: Unmodified
3. Any Audit Findings Disclosed that are Required to be Reported in Accordance with the Uniform Guidance? _____ Yes _____ X _____ No

4. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
10.561	Supplemental Nutrition Assistance Program Cluster
93.659	Adoptions Assistance Program
93.558	Temporary Assistance for Needy Families Cluster
93.658	Foster Care Title IV-E

5. Dollar Threshold used to Distinguish Between Type A and Type B Programs? \$2,762,703 Type A
\$690,676 Type B
6. Auditee Qualified as Low-Risk Auditee Under the Uniform Guidance, Section 520? _____ Yes _____ X _____ No

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

2019 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the audit, we noted several significant account balances such as cash with fiscal agent (PARS), unavailable revenue, long-term liabilities and related deferred inflows/outflows of resources and interfund loans and transfers that were not reconciled in the general ledger. While the County was able to produce reliable schedules to support its account balances, these balances were not reflected in the general ledger.

Criteria: Year-end reconciliations and adjustments will ensure meaningful and accurate financial statements and reports that can be used to help in the management decision-making process.

Context: The condition is a systemic problem since the County currently does not have a process for reconciling all of its significant account balances on a periodic basis.

Effect: The County will not detect errors or fraud in a timely manner. Also, the lack of a reconciliation process at year-end resulted in several significant audit adjustments to the County's accounting records at year-end.

Cause: The County currently does not have a process in place to update and reconcile year-end schedules for certain account balances to ensure accurate reporting.

Repeat Finding: Finding is a repeat finding from the prior year (2018-002).

Recommendation: We recommend that reconciliations of significant accounts, including cash with fiscal agent (PARS), unavailable revenue, long-term liabilities and related deferred inflows/outflows of resources, interfund loans and transfers be performed at least once a year prior to closing to ensure that the County's general ledger is accurate. In addition, we recommend the County modify its chart of accounts for significant accounts that should reconcile throughout the year such as interfund transfers and advances, which are currently being recorded to various account numbers.

We further recommend the County develop a formal year-end closing schedule that indicates specific personnel responsibilities and corresponding time requirements to ensure all significant account balances are reviewed and reconciled during year-end closing.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding. The Auditor-Controller is in the process of hiring and training staff who will be tasked with these closing procedures.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 002

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The County is currently maintaining more than 145 governmental trust funds with approximately \$46 million in cash to track activity benefitting the General Fund and other primary operating funds of the County.

While the County has significantly reduced the use of miscellaneous revenue and expenditure accounts in these funds, there is still the potential for double reporting of revenues and expenditures when resources are transferred from these trust funds into operating funds since the County must manually prepare reclassification journal entries to eliminate the double reporting of revenues and expenditures. Finally, as the County does not budget for any activity in these governmental trust funds, any deviations from the adopted budget are not apparent until after the end of the fiscal year and thus cannot be addressed when they occur.

During our testing of trust fund activity, we noted checks totaling \$963,282 being paid directly to cities out of the Drug Task Force Fund 3644 instead of within operating funds that have established budgets. In addition, we noted a wire transfer of \$1,982,602 being paid directly out of the AFDC Children Trust Fund 3940 which does not have an established budget.

Criteria: According to the Accounting Standards and Procedures for Counties Guide published by the State Controller's office, "Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established. Using too many funds causes inflexibility and undue complexity in financial management. It should be avoided in the interest of efficient and economical financial administration."

Context: The condition is a systemic problem since several departments rely on trust funds for tracking various programs and activities.

Effect: By excluding transaction activity in these funds, balances for revenues and expenses in the County's own financial reports (including budgetary reports) are not complete. There is the potential to double-report revenues and expenditures when resources are transferred into operating funds. Using multiple funds within the accounting system to control the flow of revenues increases the potential for reporting revenues and expenditures twice.

As the County does not budget for any activity occurring in these governmental trust funds, any deviations from the adopted budget are not apparent until well after the end of the fiscal year and thus cannot be addressed when they occur.

Cause: The County currently does not have a formal process for establishing new funds requested by departments or closing funds that are not required or necessary for County operations and reporting.

Repeat Finding: Finding is a repeat finding from the prior year (2018-003).

Recommendation: We recommend the Auditor-Controller's Office implement the following procedures:

COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Analyze each of its governmental trust funds to determine if there is a particular need to account for resources separately from the operating funds of the County. Close several of these trust funds to combine the balances and activities of these funds with existing County operating funds.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 003

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During a prior audit, we noted a component unit, Fortuna Fire Protection District (District), which was being presented as a blended component unit when it should be classified as a discretely presented component unit. While the governing board of the County appoints all of the members of the District's governing board, the District should be discretely presented because its governing board is not substantively the same as the County's.

In addition, we noted that its external auditors did not audit the capital asset records for the District.

Criteria: Generally Accepted Accounting Principles in the United States of America (GAAP) requires the County's financial statements to present the activities of the County and its component units.

Context: The District's capital assets likely represent a majority of the District's total assets.

Effect: Users of the financial statements are not able to rely on the capital asset listing maintained by the District.

Cause: The District has not yet engaged for its listing of capital assets to be audited, including analyzing the historical costs of all its structures, equipment and vehicles.

Repeat Finding: Finding is a repeat finding from the prior year (2018-004).

Recommendation: We recommend the County work closely with the District to establish a system for tracking and reporting its capital assets, especially with the District's recent purchase of a new fire engine. We further recommend the District engage with its current auditors or another entity to audit its complete listing of capital assets to remove the adverse opinion from its audit report.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 004

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the audit, we noted two subsequent receipts in the road fund totaling \$239 thousand and two subsequent receipts in the aviation fund totaling \$1.5 million that were not correctly recognized in the period under audit.

We also identified \$1.7 million of program advances for July 2019 that were improperly accrued as receivables in the General Fund at June 30.

Criteria: Generally Accepted Accounting Principles (GAAP) in the United States of America require that revenues be recorded in the period in which they are earned.

Context: While performing audit procedures for revenue recognition, it was noted that the County does not have a process to review all significant subsequent receipts to ensure correct revenue recognition in accordance with U.S. GAAP.

Effect: The County materially misstated revenues and receivables in the Road Fund and General Fund by \$239 thousand and \$1.7 million, respectively. In addition, the County misstated revenue and receivables in the aviation fund by \$1.5 million.

Cause: The County did not have a process in place to review significant receipts subsequent to year end to determine if they were related to the current year.

Repeat Finding: Finding is a repeat finding from the prior year (2018-005).

Recommendation: We recommend the County establish procedures to ensure subsequent receipts are reviewed for the correct revenue recognition period.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 005

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the audit, we noted one subsequent disbursement that was not correctly recognized in the period under audit.

Criteria: Generally Accepted Accounting Principles (GAAP) in the United States of America require that expenses be recorded in the period in which they are incurred.

Context: While performing audit procedures to search for unrecorded liabilities, it was noted that the County did not have a process to review disbursements processed after their internal cutoff date to ensure expenses and accounts payables are accurate and complete in accordance with U.S. GAAP.

Effect: The County materially understated construction in progress and payables by \$292 thousand in the Aviation enterprise fund.

Cause: The County did not review disbursements after its internal cutoff date to determine which period in which to recognize the payable and expense. Invoices received by the Auditor-Controller's office subsequent to this cutoff date were reported as fiscal year 2019/20 expenses.

Repeat Finding: Finding is a repeat finding from the prior year (2018-006).

Recommendation: We recommend the County review accounts payable disbursement controls in place to ensure subsequent disbursements are reviewed, after the department cutoff period, to ensure expenses are reported in the correct period.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 006

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the audit, we noted that capital asset balances were misstated by approximately \$1.5 million in two internal service funds due to an incorrect journal entry not identified until the audit.

Criteria: Journal entries should be thoroughly reviewed by designated individuals within the auditor-controller's office prior to posting. Account balances being adjusted should be reviewed to ensure the adjustment was accurate and properly recorded in the general ledger with any discrepancies being resolved immediately.

Context: The erroneous adjustment resulting in total capital assets being misstated in two internal service funds.

Effect: The County materially understated equipment in one fund and overstated equipment in another fund by \$1.5 million.

Cause: The County did not properly reconcile their capital asset accounts for each fund to their own listings at year-end.

Repeat Finding: Finding is not a repeat finding from the prior year.

Recommendation: We recommend that all journal entries be reviewed thoroughly before and after posting them to the accounting system, including reconciling general ledger balances to detailed account schedules while investigating any discrepancies.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

2019 – 007

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our review of the County's PARS account activity, we noted that the County netted contributions from departments with transfers to an external bank account in an expenditures account within Fund 3249.

Criteria: Transfers from departments should be reported in accounts designated by the auditor-controller to reflect all contributions during the year.

Context: Approximately one third (or \$1.2 million) of total contributions for PARS was netted with expenditures in a designated expenditure account.

Effect: The County materially misclassified interfund transfers and expenditures by \$1.2 million. External accounts can be used to hide transfers of the County's assets to others without proper benefit to the entity.

Cause: The County did not reconcile its transfers to the external PARS account at year-end. Additionally, the County has not yet established an account in its general ledger to reflect the cash held with PARS throughout the year.

Repeat Finding: Finding is not a repeat finding from the prior year.

Recommendation: While the County has designated accounts within its general ledger to account for contributions from its departments into the external PARS account, we recommend that the auditor-controller reconcile the PARS activity throughout the year to ensure all contributions and transfers to the external PARS account are properly recorded and appropriated within the fund making the disbursement.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 008

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our review of interfund activity, we noted that interfund transfers were not in balance by several million dollars.

Criteria: Generally Accepted Accounting Principles (GAAP) in the United States of America require that interfund transfers net to \$0 throughout the year.

Context: Before reclassifications, interfund transfers were out of balance by more than \$4 million.

Effect: Several revenue and expenditure/expense account balances were misclassified because of transfers not being in balance.

Cause: The County currently does not have a process for reconciling interfund transfers throughout the year.

Also, the County has designated more than 40 accounts to account for interfund transfers, including approximately 20 different accounts to record transfers to one fund for debt service payments. The use of several accounts for recording interfund transfers may add to the complexity of reconciling interfund transfers throughout the year.

Repeat Finding: Finding is not a repeat finding from the prior year.

Recommendation: We recommend the County develop formal procedures for reconciling the County's interfund activity throughout the year. We further recommend the County consider reducing the number of accounts currently being used to record interfund transfers between funds such as using one designated account to record transfers to its debt service fund (fund 3810) for debt payments instead of assigning a different account for each fund.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 009

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During our review of the Schedule of Expenditures of Federal Awards (SEFA), we noted that the County did not include federal expenditures of \$3,464,355 for the Airport Improvement Program.

Criteria: The Auditee's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the Schedule of Expenditures of Awards".

The SEFA, while not part of the Basic Financial Statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA..

Context: In the process of analytically testing the County's federal expenditures reported on the SEFA, we noted the Airport Improvement Program was incorrectly showing \$0 instead of the correct amount of \$3,464,355 for the current year, therefore understating total expenditures on the SEFA.

Effect: The County materially understated expenditures on the SEFA by \$3,464,355.

Cause: The County's aviation department recently separated from the public works department to become its own department. The department did not submit their expenditures to the Auditor-Controller Office because the department head of public works was still listed as the contact for the airport improvement program.

Repeat Finding: Finding is not a repeat finding from the prior year.

Recommendation: The County should adopt a process that reconciles expenditures and revenues under federal programs to ensure the completeness of the SEFA. Additionally, this reconciliation should include the provisions for any applicable sharing ratios so that the portions of federal, state and county can be identified, and the federal portion of the expenditures can be properly reported on the SEFA.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

**COUNTY OF HUMBOLDT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

2019 – 010

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During our audit of cash and investments at June 30, we noted an unreconciled variance in the County's cash balance of \$23,258. Upon further review, we noted the Auditor Controller's Office is not reconciling the total cash and investments in the general ledger with the Treasurer's daily cash report on a regular basis.

Criteria: A cash reconciliation that reconciles from the Treasurer's balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors.

Context: While the difference we identified was not material, small differences that are not reconciled on a monthly basis can build up to a significant amount over time.

Effect: Lack of a timely and thorough reconciliation could result in unresolved errors resulting in inaccurate general ledger balances.

Cause: While the Auditor-Controller's Office has a process for reconciling the operating accounts in the Treasury, it currently does not have a process for reconciling pooled cash and investments in the general ledger to the total cash and investments summarized in the Treasurer's daily cash report.

Repeat Finding: Finding is not a repeat finding from the prior year.

Recommendation: We recommend the Auditor-Controller's Office reconcile the total cash and investments balance in the County's financial system to the total cash and investments reported in the Treasurer's daily cash balance report on a regular basis. The Auditor-Controller's reconciliation of cash and investments should begin with the total cash and investments reported in the Treasurer's daily cash balance to ensure the cash reported in the general ledger is complete and accurate.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

Section III – Federal Award Findings and Questioned Costs

None Reported.