



Mendocino LAFCo

Encouraging Well-Planned Community Growth

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REGULAR MEETINGS

First Monday of each month
at 9:30 AM in the
Mendocino County Board of
Supervisors Chambers
501 Low Gap Road, Ukiah

AGENDA

Regular Commission Meeting

Monday, June 1, 2026 at 9:30 a.m.

Location

**Mendocino County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, CA 95482**

Meeting Format and Public Participation

The Mendocino Local Agency Formation Commission will conduct this meeting in a hybrid format, allowing both in-person and remote (video or telephone) participation by the public and staff, pursuant to Government Code section 54953. Unless otherwise authorized under AB 2449, Commissioners will attend the meeting in person at the location identified above.

Remote Participation Instructions

Join Meeting Live:

Please click the following Zoom link below to join the meeting or utilize the telephone option for audio only.

1. Zoom meeting link: <https://mendocinocounty.zoom.us/j/81851038062>

2. Telephone option (audio only):

Dial: **(669) 900-9128** (Please note that this is not a toll-free number)

Meeting ID: **818 5103 8062**

Public Comment Options:

Public participation is encouraged. Public comments may be submitted in the following ways:

1. Live: during the meeting via Zoom or telephone

2. Email: eo@mendolafco.org (by 9:00 a.m. on the day of the meeting)

3. Mail: Mendocino LAFCo, 200 S. School Street, Ukiah, CA 95482

All comments received will be provided to the Commission for consideration during the meeting.

Providing Live Public Comment

- Zoom participants: Use the *Raise Hand* feature under "Reactions." When joining the meeting, please enter your name so you can be identified when called upon.
- Telephone participants (audio only): Press *9 to raise your hand and *6 to unmute. When it is your turn to speak, you will be identified by the last four digits of your phone number (if available) and asked to state your name for the record.

All regular meetings are live-streamed and recorded and are available on the

[Mendocino County YouTube Channel](#).

Links to meeting documents and approved minutes are available on the [LAFCo website](#).



STAFF REPORT

Agenda Item No. 6a	
MEETING DATE	June 1, 2026
MEETING BODY	Mendocino Local Agency Formation Commission
FROM	Uma Hinman, Executive Officer
SUBJECT	WORKSHOP Mendocino Coast Recreation and Park District Municipal Service Review and Sphere of Influence Update

RECOMMENDED ACTION

The Commission hold a Workshop on the Draft Mendocino Coast Recreation and Park District Municipal Service Review and Sphere of Influence Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing at a regular meeting of the Commission.

BACKGROUND

This is a Workshop to introduce the Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Mendocino Coast Recreation and Park District (MCRPD/District). This is the second MSR and SOI Update for the District; the first round was adopted in [2008](#). The Workshop Draft MCRPD MSR/SOI study includes the following information related to the District: history, government structure and accountability, operational efficiency, finances, projected growth, disadvantaged unincorporated communities, service capacity and needs, and proposed sphere. The District reviewed and provided feedback on an administrative draft of the study and changes have been incorporated into this Workshop Draft as appropriate.

Although MSR and SOI updates are generally scheduled for every 5-10 years, Mendocino LAFCo policy directs staff to prioritize studies for municipal service providers. Municipal services are defined as fire protection, police, water and wastewater services; the MCRPD does not fall into this category and has been delayed as the Commission focused budget on the priority agencies.

At the request of the District and in order to move the District's MSR/SOI Update forward, the District and Commission entered into a memorandum of understanding (MOU) for LAFCo to prepare an MSR on the District at cost to the MCRPD. The MOU also specified that LAFCo would assume the cost for the SOI Update portion of the combined study.

During the MSR process, the District requested an expanded scope of analysis to evaluate the efficiency and equity of its use of annual property tax allocation revenues across its service area. The requested level of property tax analysis extends beyond the statutory framework for MSRs under GOV §56430 and would require specialized data compilation and technical analysis not typically prepared as part of an MSR. However, the Commission directed staff to include the data at a school district level, if available. The MSR process does not require, nor obligate, the County Auditor-Controller to generate data or reports, and staff was informed that the data request was too labor intensive for the County office to accommodate at this time. The MSR bases the financial analysis on the most current audited financial statements, per standard MSR development.

As background, the District was formed on May 8, 1972 by LAFCo to provide recreation services to the Fort Bragg area. The District has expanded its boundaries three times over the years, annexing school district territories to its current boundary that extends 77-miles from Westport to Gualala and the southern Mendocino County border. The District extends along the coastline and inland to include the community of Comptche, and has a population of approximately 30,000.

The MCRPD has undergone substantial organizational and operational changes since the 2008 MSR/SOI study, the most recent being the transition of the District's primary facility to the City of Fort Bragg. With these changes, the District is evolving and focusing on providing a range of recreational programming services through shared facility agreements with public and private entities throughout its expansive territory.

In 2008, the Commission adopted an SOI coterminous with the District's boundaries. The study recommends the District's existing SOI be affirmed.

This Workshop is an opportunity to receive Commission and public input on the document; no action will be taken on the study on this date. A public hearing will be scheduled at a later date for formal consideration of the study.

ATTACHMENT

- (1) Workshop Draft Mendocino Coast Recreation and Park District MSR/SOI



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Workshop Draft



Mendocino Coast Recreation and Park District

Photo Credit: MCRPD

2026 Municipal Service Review and Sphere of Influence Update

200 South School Street

Ukiah, California 95482

<http://www.mendolafco.org/>

Workshop: June 1, 2026

Public Hearing: [Month DD, YYYY]

Adopted: [Publish Date]

LAFCo Resolution No: XXXX-XX-XX

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Workshop Draft

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ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
ADA	Americans with Disabilities Act of 1990
ADU	Accessory Dwelling Unit
AMI	Area Median Income
AOI	Area of Interest
APR	Annual Progress Report
BOS	Board of Supervisors
CALAFCO	California Association of Local Agency Formation Commissions
CAPRI	California Association for Park and Recreation Indemnity
CEQA	California Environmental Quality Act
CIP	Capital Improvement Plan
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPA	Certified Public Accountant
CSCC	California State Coastal Conservancy
CSDA	California Special Districts Association
DOF	California Department of Finance
DUC	Disadvantaged Unincorporated Community
GC	Government Code
ELEC	California Elections Code
FB	City of Fort Bragg
FBUSD	Fort Bragg Unified School District
FPPC	California Fair Political Practices Commission
FY	Fiscal Year
GC	Government Code
GHG	Greenhouse Gas
HCD	California Department of Housing and Community Development
JADU	Junior Accessory Dwelling Unit
JDSF	Jackson Demonstration State Forest
JPA	Joint Powers Authority
LAFCo	Local Agency Formation Commission
LCP	Local Coastal Program
MCBG	Mendocino Botanical Gardens Corporation
MCOG	Mendocino Council of Governments
MCRPD	Mendocino Coast Recreation and Park District
MFC	Municipal Finance Corporation
MHI	Median Household Income
MPO	Metropolitan Planning Organization
MSR	Municipal Service Review
MOU	Memorandum of Understandings
MUESD	Manchester Union Elementary School District

MUSD	Mendocino Unified School District
NRPA	National Recreation and Park Association
OPR	California Governor's Office of Planning and Research
PA	City of Point Arena
PAJUHS	Point Arena Joint Union High School District
PAUESD	Point Arena Unified Elementary School District
RFI	Request for Information
RHNA	Regional Housing Needs Allocation
PRC	Public Resources Code
RTP	Regional Transportation Plan
SB	Senate Bill
SDUC	Severely Disadvantaged Unincorporated Community
SOI	Sphere of Influence
SHP	State Historical Park/Monument
SNR	State Natural Reserves
SP	State Park
SRA	State Recreation Area

1 INTRODUCTION

1.1 Local Agency Formation Commission

Local Agency Formation Commissions (LAFCo/Commissions) are quasi-legislative, independent local agencies established by State legislation in 1963 to oversee the logical and orderly formation and development of local government entities including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) under California Government Code (GC) Section (§) 56000 and the following (et. seq.) with goals to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

1.2 Mendocino LAFCo

The CKH Act provides for flexibility in addressing State regulations to allow for adaptation to local needs. Each LAFCo works to implement the CKH Act to meet local needs through the flexibility allowed in how state regulations are implemented through establishment of local policies to address the unique conditions of the county. Accordingly, Mendocino LAFCo has adopted policies, procedures and principles that guide its operations. These policies and procedures can be found on Mendocino LAFCo's website.¹

Mendocino LAFCo has a public Commission with seven regular Commissioners and four alternate Commissioners. The Commission is composed of two members of the Mendocino County Board of Supervisors, two City Council members, two Special District Board of Directors members, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

Error! Reference source not found. below lists the current members, the organization they represent, if they are an alternate, and the date their term expires.

Table 1-1: Current Mendocino LAFCo Commissioners, 2026

<i>Commissioner Name</i>	<i>Position</i>	<i>Representative Agency</i>	<i>Term Expires</i>
Madeline Cline	Commissioner	County	2028
Gerardo Gonzalez	Commissioner	City	2026
Candace Horsley	Commissioner	Special Districts	2026
Susan Mahoney	Commissioner	Special Districts	2028
Maureen Mulheren	Chair	County	2026
Mari Rodin	Commissioner	City	2025
Gerald Ward	Vice-Chair/Treasurer	Public	2026
Bruce Alfano	Alternate	Public	2027
Douglas Crane	Alternate	City	2025
Adam Gaska	Alternate	Special Districts	2026
John Haschak	Alternate	County	2027

¹ The Mendocino LAFCo Policies and Procedures Manual can be found here: <http://www.mendolafco.org/policies.html>.

1.3 Municipal Service Review

The CKH Act requires each LAFCo to prepare a Municipal Service Review (MSR) for its cities and special districts ([GC §56430](#)).² MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI). This review is intended to provide Mendocino LAFCo with the necessary and relevant information under GC §56430 related to the services provided by Mendocino Coast Recreation and Park District (MCRPD/District).

An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. An MSR must address the following seven factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

MSRs include written statements or determinations with respect to each of the seven mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of a service provider's existing and future service area boundary. This MSR update studies the recreation services provided by MCRPD and provides technical and administrative information to support Mendocino LAFCo's evaluation of the existing boundary for the District.

With this MSR, Mendocino LAFCo can make informed decisions based on the best available data for the service provider and area. Written determinations (similar to 'findings'), as required by law, are presented in Section 3.3. LAFCo is the sole authority regarding approval or modification of any determinations, policies, boundaries, spheres of influence, reorganizations, and provision of services.

Ideally, an MSR will support LAFCo's directives and deliberations and will also provide the following benefits to the subject agencies:

- Provide a broad overview of agency operations including type and extent of services provided;
- Serve as a prerequisite for a SOI Update;
- Evaluate governance options and financial information;
- Demonstrate accountability and transparency to LAFCo and to the public; and
- Allow agencies to compare their operations and services with other similar agencies.

² California GC §56430 (2024) can be found here: [California Government Code § 56430 \(2024\) :: 2024 California Code :: U.S. Codes and Statutes :: U.S. Law :: Justia](#).

1.4 Sphere of Influence

The CKH Act requires LAFCo to adopt a Sphere of Influence (SOI) for all local agencies within its jurisdiction. An SOI is “a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission” ([GC §56076](#)).³

When reviewing an SOI for a municipal service provider, pursuant to [GC §56425\(e\)](#),⁴ LAFCo will consider the following five factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to GC §56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing SOI.

SOI studies include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider’s SOI or probable future boundary.

1.5 Senate Bill 215

Senate Bill 215 requires LAFCo to consider applicable regional transportation plans and sustainable community strategies when making boundary decisions. Senate Bill 375, the Sustainable Communities and Climate Protection Act, requires Metropolitan Planning Organizations (MPOs) to integrate transportation, land use, and housing planning in their Regional Transportation Plans to reduce greenhouse gas emissions from passenger vehicles.

Mendocino County is not located within an MPO boundary and is therefore not subject to the requirements of SB 375. However, the Mendocino Council of Governments (MCOG) coordinates regional planning efforts among Mendocino County and the cities of Fort Bragg, Point Arena, Ukiah, and Willits. MCOG supports regional housing and transportation planning through efforts such as the 2018 Regional Housing Needs Allocation Plan, the Vision Mendocino 2030 Blueprint Plan, and allocation of transportation funding consistent with the County’s Regional Transportation Plan.

Regional growth patterns are primarily guided by Mendocino County and the cities through adoption and implementation of general plans and zoning regulations. Although SB 375 does not directly apply, LAFCo will consider relevant regional transportation and growth planning documents when evaluating changes of organization or reorganization proposals.

³ California GC §56076 (2024) can be found here: [California Government Code § 56076 \(2024\) :: 2024 California Code :: U.S. Codes and Statutes :: U.S. Law :: Justia](#).

⁴ California GC §56425 (2023) can be found here: [California Government Code § 56425 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia](#).

2 AGENCY OVERVIEW

Table 2-1: MCRPD Profile	
Agency Name:	Mendocino Coast Recreation and Park District
General Manager	Kylie Felicich
Office Location:	PO Box 532, Fort Bragg, CA, 95437
Mailing Address:	100 N Main St, Fort Bragg, CA, 95437
Phone Number:	Office: 707-409-0760; Emergencies: 707-734-3319
Website:	https://mcrpd.specialdistrict.org/
Email:	info@mcrpd.us
Date of Formation:	May 8, 1972
Agency Type:	Independent Special District, Single-Service Provider
Enabling Legislation	Public Resources Code §5780-5790.17
Board Meeting Schedule:	Every third Wednesday of the month at 5:30 p.m.; locations vary.

2.1 History

The Fort Bragg area's first recreation facility was the Fort Bragg Community Club, which opened in 1920 with the support of community donations of capital, materials, and labor to build what is known today as the Fort Bragg Recreation Center. The original club featured an indoor swimming pool, a basketball gymnasium, changing rooms, and associated facilities. The City of Fort Bragg (City/Fort Bragg) obtained the club facility sometime in the 1950s and operated it until the Mendocino Coast Recreation and Park District (MCRPD/District) was formed in 1972.

Upon formation, the City leased the Fort Bragg Recreation Center to the District for \$1/year. The Center was the District's only facility for many years and hosted the District's main offices and served as its gymnastics studio. The recreation gym, which is connected to City Hall, continues to be utilized by the District for ping pong, basketball, skate night, and indoor soccer.

Over time, the District has expanded to include the populated 77-miles of the Mendocino County coastline and inland to the community of Comptche.

2.1.1 Formation

MCRPD was formed on May 8, 1972 by Mendocino Local Agency Formation Commission (LAFCo) [Resolution No. 72-6](#) to provide recreation services to the Fort Bragg area.⁵ The principal act under which the District is governed and operates is the Recreation and Park District Law per Public Resources Code (PRC) Sections (§) 5780-5790.

2.1.2 Boundary

MCRPD's original boundaries were coterminous with the 1972 Fort Bragg Rural Fire Protection District boundaries and encompassed approximately 20 square miles of the then-greater Fort Bragg area. Three annexations have occurred since its formation and today the District spans 77 miles of coastline, the entirety of Mendocino County's populated coast, reaching from Westport in the north, to Gualala and the southern County boundary (See Figure 2-2).

⁵ LAFCo Resolution No. 72-6 can be found here: [LAFCo Resolution No. 72-6](#).

2.1.2.1 BOUNDARY CHANGE HISTORY

In 1982, increasing interest from residents of the town of Mendocino led the District to annex the entire Mendocino Unified School District (MUSD) into the District boundary.⁶

In 1989, the District expanded again, annexing the entire area of the Point Arena Unified Elementary School District (PAUESD) at the request of area residents wishing to increase access to recreational services.⁷

Most recently, in 2008 the District annexed the remaining area of the Fort Bragg Unified School District (FBUSD), which extended its northern boundary up to the Westport area.⁸

As a result, the boundaries of the District are contiguous with the combined boundaries of all three school districts: MUSD, PAUESD and FBUSD. It is noted that the Manchester Union Elementary School District (MUESD) and the Point Arena Joint Union High School District (PAJUHS) are also located within MCRPD's boundary and overlap with the aforementioned school districts (see Figure 2-3).

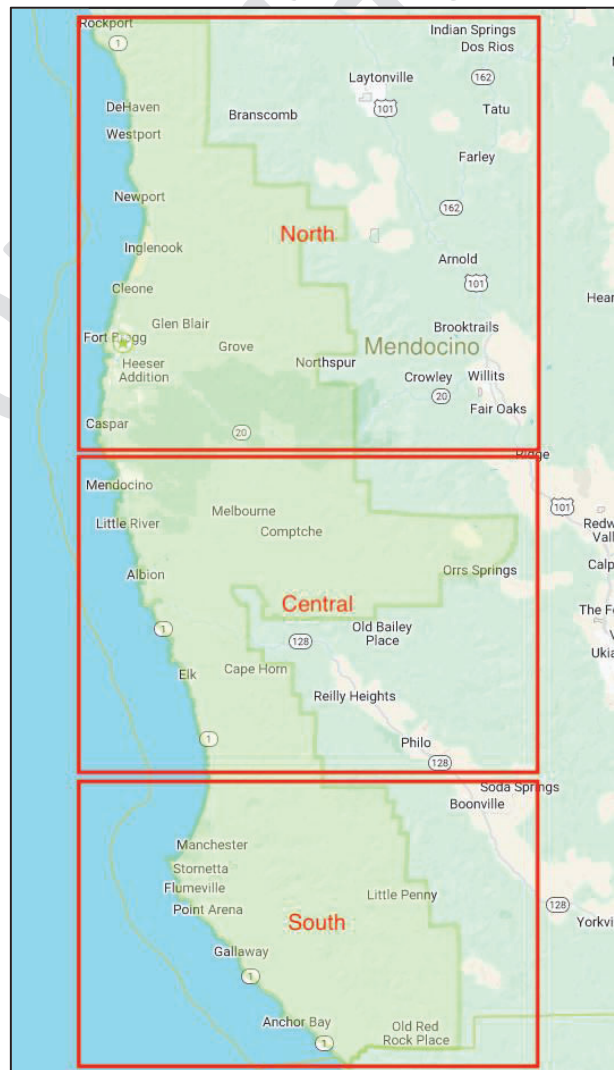
2.1.3 Service Regions

The District provides recreational programming and access to facilities within various communities throughout the Mendocino County coast. To analyze how the District's programming and recreational facilities serve the communities within its expansive geographic service area, this Municipal Service Review (MSR) separates the District boundaries into three general regions as follows:

- **North** – Westport, Cleone, City of Fort Bragg, and Caspar
- **Central** – Town of Mendocino, Little River, Albion, Elk, Comptche, and Irish Beach
- **South** – Manchester, City of Point Arena, Anchor Bay, Gualala, and Sea Ranch

The service regions, illustrated in Figure 2-1, align generally with the boundaries of the three largest school districts within the District service region: the North service region coincides with FBUSD, the Central service region coincides with MUSD, and the South service region encompasses MUESD, PAUESD,

Figure 2-1 MCRPD Service Regions



⁶ LAFCo Resolution No. 82-1 can be found here: [82-1 MCRPD](#).

⁷ LAFCo Resolution No. 89-6 can be found here: [89-6 PAJUHS Annexation to MCRPD](#).

⁸ LAFCo Resolution No. 2008-03 can be found here: [2008-03 FBUSD Annexation to MCRPD](#).

and PAJUHSD. Note that the analysis for the South service region also includes The Sea Ranch community, which is located outside the District boundaries in northern Sonoma County.

Collaboration with other agencies and groups within the District's boundary is discussed in Section 2.3.3. For more information regarding services, refer to Chapter 3.

2.1.4 Latent Powers

Latent powers are those services, functions, or powers authorized by the principal act under which the District is formed, but that were not exercised by the district prior to January 1, 2006 and have not been authorized and recognized by LAFCo since then (GOV §56425(i)). Once the services being provided are established pursuant to 56425(i), all other powers not being exercised are rendered as latent through operation of law, pursuant to the definition of latent power in 56050.5.

When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by exiting districts (GOV §56425(i)).

A review of the district's provision of services indicates that all powers available to the district are active; there are no latent powers.

Per [California Code Public Resources Code §5786](#),⁹ the District may act on the following powers:

- a) Organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life.
- b) Establish systems of recreation and recreation facilities, including, but not limited to, parks and open space.
- c) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.

Although the District's principal act authorizes acquisition and operation of recreation facilities outside its boundaries, GOV §56133¹⁰ and Mendocino LAFCo Policy 12.2¹¹ require prior LAFCo approval before an agency may extend services outside its jurisdiction. Accordingly, the District must obtain LAFCo authorization before proposing to provide facilities, programs, or other services beyond its established service area.

⁹ California Code Public Resources Code §5786 can be found here: [PRC §5786](#).

¹⁰ Government Code (GOV) §56133 can be found here: [GOV §56133](#).

¹¹ Mendocino LAFCo Policy 12.2 can be found here: [Mendocino LAFCo Policies and Procedures Manual](#).

Figure 2-2

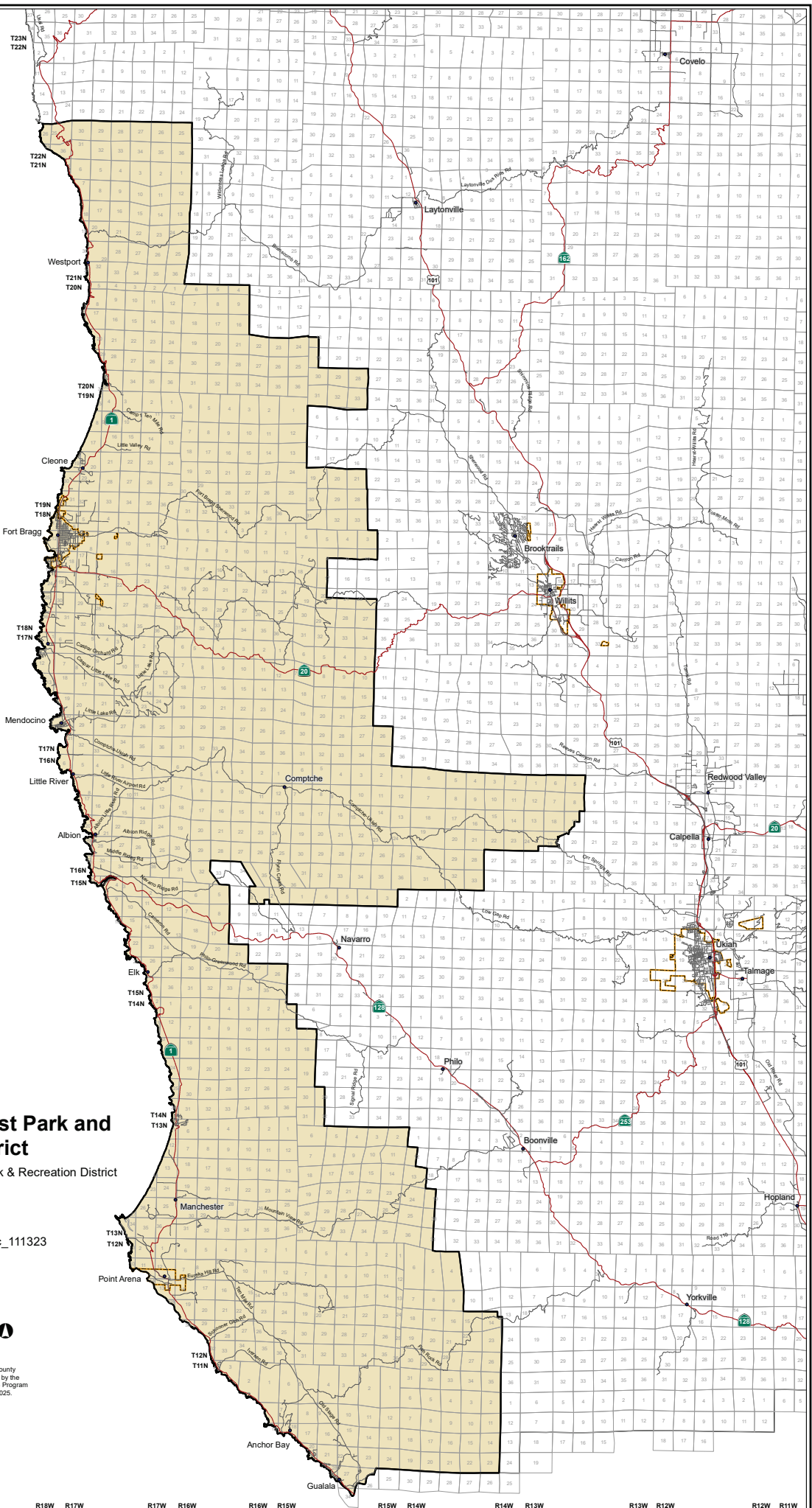
Mendocino Coast Park and Recreation District

- Mendocino Coast Park & Recreation District
- City Boundary
- Highways
- Men_Coast_park_Rec_111323
- Roads
- Communities

0 1.25 2.5 5 Miles



Source: This map was prepared for the Mendocino County Local Area Formation Commission (LAFCO) by the Mendocino County Information Services GIS Program March 2008. Modified, April 2012, January 2025.



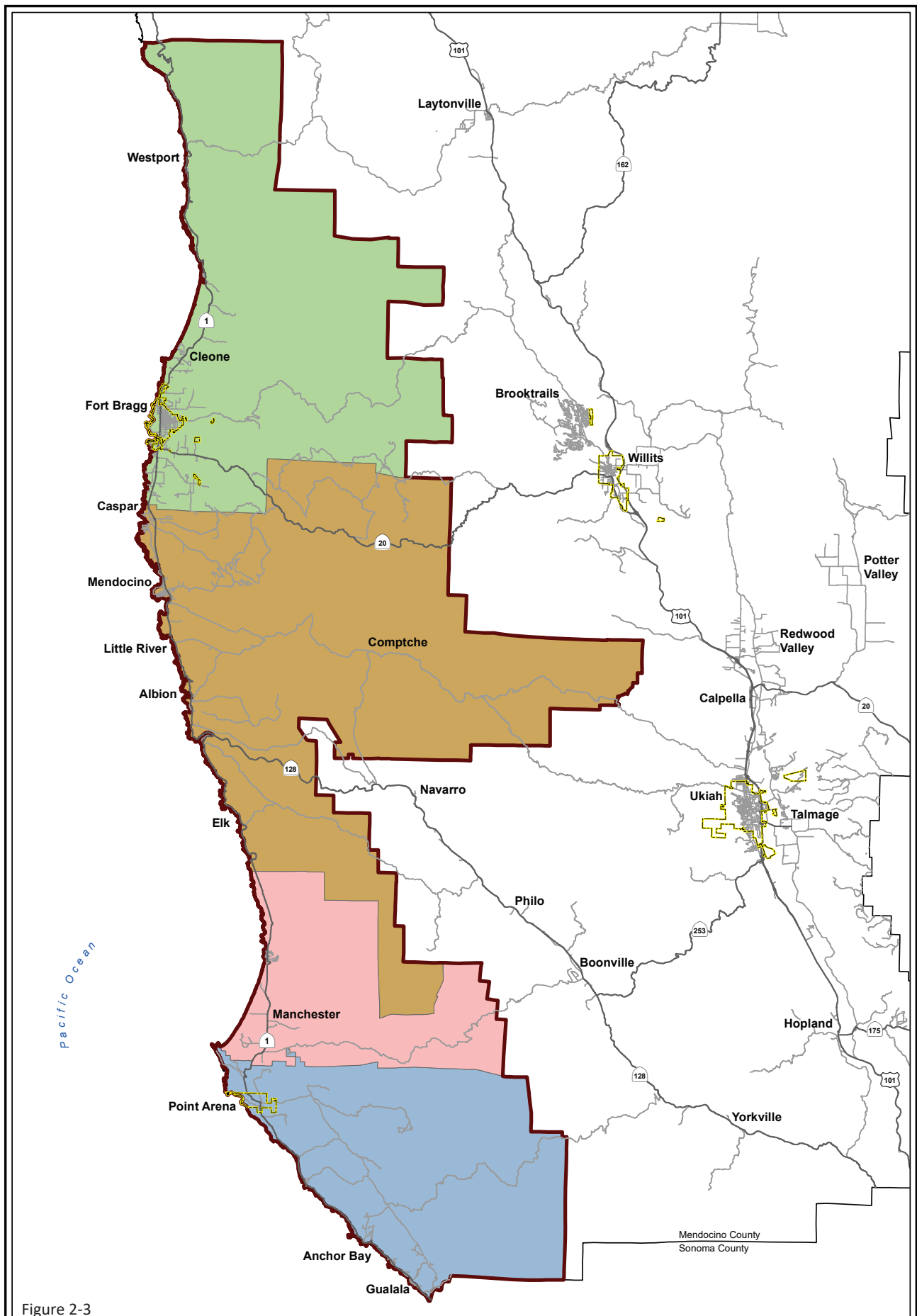


Figure 2-3

School Districts within the Mendocino Coast Recreation and Parks District

Source: This map was prepared by the Mendocino County Information Services Division, GIS Program, June 13, 2025.

Note: This map is not a survey product and should not be used to determine legal boundaries.

School Districts

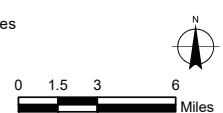
- Fort Bragg Unified
- Mendocino Unified
- Manchester Union Elementary
- Point Arena

Mendocino Coast Recreation and Parks District

Incorporated Cities

Highways

Roads



2.2 Government Structure

2.2.1 Governing Body

The Board of Directors serves as the legislative body of the District and is responsible for establishing policy, adopting and amending the annual budget, enacting ordinances, adopting resolutions, and appointing committees. The District is governed by a five-member Board elected at large by registered voters within the District. Directors serve staggered four-year terms.

Board members must be registered voters residing within District boundaries. When the number of qualified candidates equals or is fewer than the number of available seats, Board members may be appointed in lieu of election by the Mendocino County Board of Supervisors pursuant to [California Elections Code \(ELEC\) §10515](#).¹² New Directors assume office at noon on the first Friday in December following their election. All current Board members were appointed in lieu of election.

Vacancies occurring before the expiration of a term are governed by [Government Code \(GC\) §1780-1782](#).¹³ The District Board has 60 days to appoint a qualified individual following proper notice. If the Board does not act within that period, the Board of Supervisors may make an appointment within the subsequent 30 days. If no appointment is made within 90 days, the seat remains vacant until the next election.

The Board annually elects a Chair and appoints a Secretary and may establish additional offices provided that no Director holds more than one office. The District General Manager serves as the chief administrative officer and finance officer. Board members do not receive compensation or stipends for their service.

Current Board members are listed in Table 2-2. Four of the five Board members' terms expire in 2026, which the District notes is an atypical circumstance resulting from prior mid-term appointments. The Board currently has no vacancies.

Table 2-2: MCRPD Board of Directors		
Name	Office/Position	Term Expiration
Dave Shpak	Chair	December 2026
Angela Dominguez	Vice Chair	December 2026
Craig Comen	Secretary	December 2026
Dana Vogelee	Director	December 2026
Zachary Hayward	Director	December 2028

Source: LAFCo 2025.

The District's governing board is currently elected at large, with all Board members elected by voters throughout the District's approximately 77-mile coastal service area. Given the District's large geographic size, dispersed population, and distinct regional service areas, the at-large election structure may limit geographic representation from smaller and more remote communities within the Central and South service regions.

¹² ELEC §10515 (1994) can be found here: [California Code, ELEC 10515](#).

¹³ GC §1780 – 1782 (2008) can be found here: [California Code, GOV 1780](#).

California Public Resources Code Section 5785 authorizes recreation and park districts to elect directors either at large or by established divisions. Transitioning to division-based elections could improve geographic representation and strengthen accountability by ensuring that communities throughout the District have direct representation in District governance and service planning.

The District's service area includes communities with differing recreation needs, varying levels of service access, and distinct regional priorities. Consideration of a division-based election structure may assist the District in addressing long-term service equity objectives, improving responsiveness to geographically isolated communities, and strengthening representation across the North, Central, and South service regions.

Any consideration of changes to the District's election structure should be coordinated with legal counsel and the Mendocino County Elections Office and evaluated through a public process consistent with applicable provisions of the Public Resources Code and Elections Code.

2.2.1.1 STANDING COMMITTEES

Committees assist in carrying out various functions of local government. The District currently has the following committees: Personnel, District Services, Finance, and the Bower Park Ad Hoc Committee. The Bower Park Ad Hoc Committee was formed in December 2024 to support continuing coordination with the County on the park renovation project, pursuant to the District's funding partnership, and collaboration on an agreement for perpetual operation and maintenance. See Sections 2.3.4 and 3.2.3 for more information about Bower Park.

2.2.2 Public Meetings

In compliance with the Brown Act, all District Board meetings are open to the public and publicly noticed at least 72 hours in advance for regular meetings and 24 hours in advance for special meetings. Meeting notices and agendas are posted at designated meeting locations, on community bulletin boards, and at nearby post offices (LAFCo 2025). Agenda packets are distributed electronically to Board members and made available to the public upon request. Public meeting materials, including agendas, reports, resolutions, and approved minutes, are accessible on the [District's website](#).¹⁴

District Board meetings are held on the third Wednesday of each month at 5:30 p.m. As of 2026, meetings are held in person. To further support public access, the District periodically rotates meeting locations among Westport, Fort Bragg, Mendocino, Elk, Manchester, Point Arena, and Gualala, subject to venue availability (LAFCo 2025). Summary minutes of all meetings are posted and accessible on the District website after review and approval by the Board of Directors.

2.2.3 Public Outreach

With the passage of Senate Bill (SB) 929 in 2018, all special districts are required to establish and maintain a website with specific information and accessibility requirements (a compliance handout is included in Appendix B – Website Compliance Handout).

The District's website includes meeting agendas, minutes, notices, financial audits, budget reports, Enterprise System Catalog information, and compliance information for Section 504 of the Rehabilitation Act of 1973 and Americans with Disabilities Act (ADA) of 1990. A link to the most recent meeting agenda

¹⁴ The official website for MCRPD be found here: [Mendocino Coast Recreation and Park District](#).

can be found on the website's homepage, and agendas are searchable and machine-readable. Additionally, the website provides a robust amount of information on programming including recreation offerings, schedules, costs, and locations. Registration for most District programs and events is available online through the website or in person at the District's office.

The District also maintains active social media pages where updates about events are regularly posted.¹⁵ Additionally, as part of the programming services offered by the District, MCRPD staff host a variety of community events, prepare and distribute activity flyers and program brochures, submit press releases to local newspapers, submit public service announcements, and conduct local radio interviews, all of which aim to help promote District services (LAFCo 2025).

2.2.4 Complaints

The District does not have a formal complaint policy; however, mechanisms are in place for the public to provide feedback. These include a suggestion and complaint box located in the District's office lobby and a direct email link on the District's website for submitting concerns or comments. As of preparation of this MSR, the District reported no formal complaints received within the past three years, and no records of formal complaints were identified in District files for the past five years (LAFCo 2025).

Although no formal complaint policy exists, District practice is to respond promptly to public questions, concerns, and complaints (LAFCo 2025). Adoption of a formal complaint policy could improve transparency and help ensure consistent handling of public input.

Within the past decade, the Mendocino County Grand Jury issued two reports evaluating the District's financial condition: *Mendocino Coast Recreation and Parks District and Their Field of Dreams*, published on June 17, 2017, and *MCRPD Lost Almost Three Million Dollars In Grant Funds From The State Of California*, published June 28, 2021. Both reports raised concerns regarding the District's financial viability. In its formal responses,^{16,17} the District acknowledged these concerns and continues to address the findings and recommendations in each report.

2.2.5 Transparency and Accountability

The MCRPD Bylaws were originally adopted in March 1974 and most recently amended in June 2023¹⁸. The Bylaws establish the District's legal framework and govern internal operations, including the District's name and purpose, Board structure, officer roles and responsibilities, staff assignments, and the conduct of meetings.

In accordance with the Political Reform Act, the District has adopted policies addressing conflicts of interest and financial matters, including real property and asset management, in addition to the provisions contained in the Bylaws (LAFCo 2025). The Act also requires public officials to file annual Statements of

¹⁵ MCRPD Facebook page link can be found here: [MCRPD Facebook](#).

¹⁶ MCRPD Response to Grand Jury Report *MCRPD Lost Almost Three Million Dollars In Grant Funds From The State Of California*, August 26, 2021, can be found here: [MCRPD Response](#).

¹⁷ MCRPD Response to Grand Jury Reports *Mendocino Coast Recreation and Parks District and Their Field of Dreams*, August 22, 2017, can be found here: [MCRPD Response](#).

¹⁸ The MCRPD Bylaws can be found here: [Bylaws](#).

Economic Interests (FPPC Form 700). District Board members file these disclosures annually with the Mendocino County Clerk's Office, as required by Government Code Section 87200.

Pursuant to Assembly Bills 1234 and 707, and Senate Bill 827, the District requires Board members to complete ethics, fiscal and financial, Brown Act, and harassment prevention training, at least once every two years. The District budgets for required training and optional continuing education related to governance. New Board members receive an orientation from the General Manager, including materials on the Brown Act, FPPC requirements, and conflict-of-interest disclosures, with periodic refresher reviews conducted thereafter.

District Board members do not receive compensation. However, the District allows Board members and their families to participate in District programs at no cost and reimburses eligible expenses associated with Board training and governance activities (LAFCo 2025).

See Appendix A – Open Government Resources for a brief list of educational resources regarding open government laws and Appendix B – Website Compliance Handout for a website compliance handout.

2.3 Operational Structure

2.3.1 Management and Staffing

MCRPD employs three full-time employees: a General Manager, a Business Manager, and a Recreation Supervisor. Additionally, the District employs 25 part-time, year-round employees that support the District's 6 departments: District Office, Gymnastics, Martial Arts/Fitness, Field Sports, Roller Skating, and South Coast. Part-time employees include program instructors, recreation leaders, and a South Coast Coordinator. The general responsibilities of each role are summarized below:

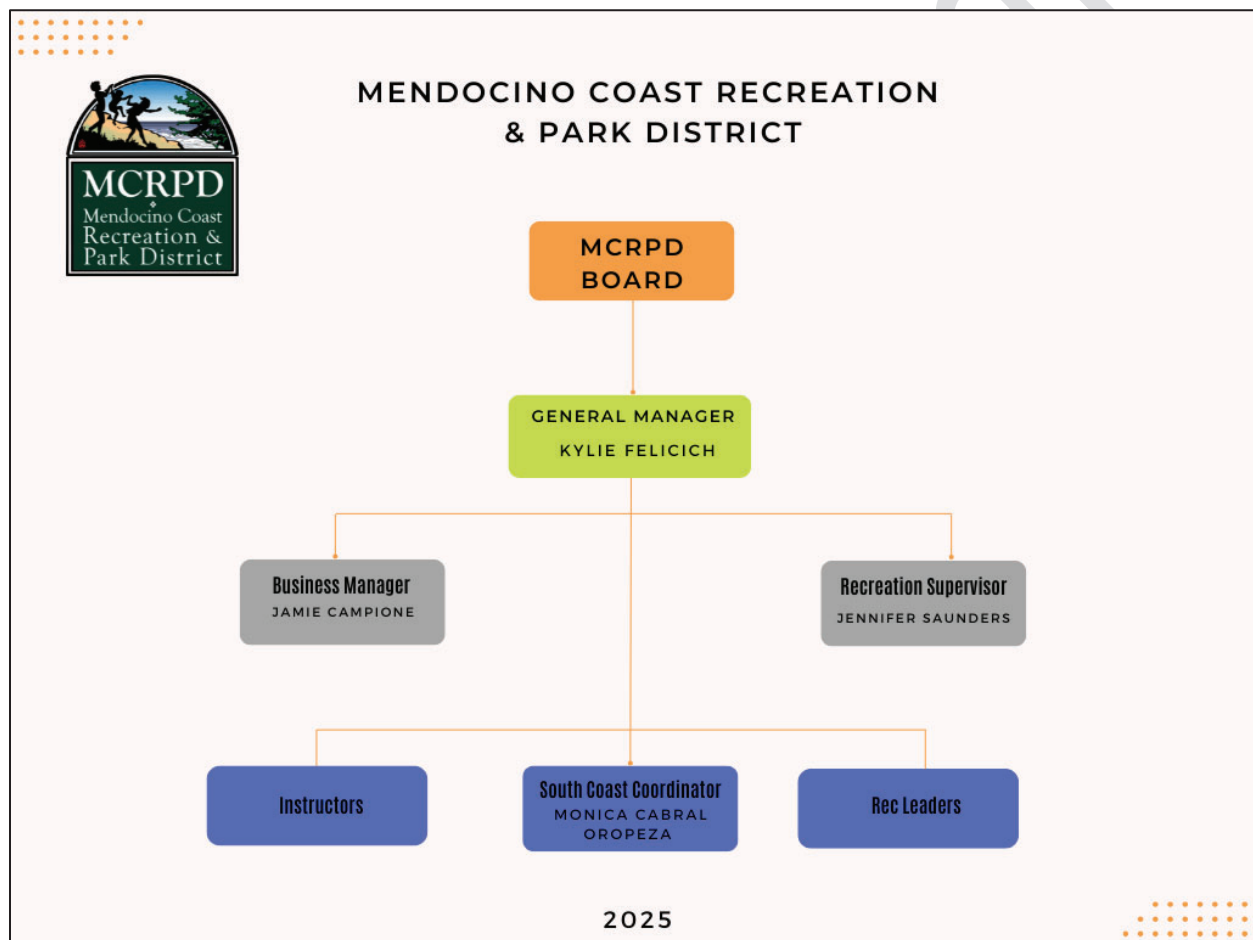
Table 2-3 MCRPD Staffing		
Role	Number of Staff	Duties
Full-Time Staff		
General Manager	1	Overall management of District staff and operations under; reports directly to the Board of Directors
Business Manager	1	Board correspondence, District website management, management of active registration data base, and business aspects for all programming
Recreation Supervisor	1	Responsible for all other programming needs
Total Full-Time Staff	3	
Part-Time Staff		
Recreation Coordinators	2	Each work approximately 15 hours per week, one each in Gualala and Fort Bragg
Recreation Leaders	Fluctuates based on programming needs	Each work 2-10 hours per week depending on the season (e.g. working at Skate Night, helping host programs)
Program Instructors	Fluctuates based on programming needs	Cover programs including but not limited to gymnastics, martial arts and tennis; work 2-15 hours a week depending on the program and season

Table 2-3 MCRPD Staffing		
Role	Number of Staff	Duties
Seasonal Staff	Fluctuates based on programming needs	Typically hired for summer months
Total Part-Time Staff	25-54	

Source: (LAFCo 2025)

Due to its limited staffing and financial capacity, and large service area, the District notes its staff collaborate on tasks and functions and are not strictly bound by the organization chart structure (refer to Figure 2-4 for the MCRPD Organizational Chart) (LAFCo 2025).

Figure 2-4 MCRPD Organizational Chart



Source: MCRPD 2025e.

Additionally, the District employs a number of part-time, seasonal employees to support programming in any given calendar year; there were 57 in 2024. The seasonal employees are hired to help manage and run various District programs, all of whom were subject to temporary assignments in response to active programs. When said programs cease, work assignments for temporary employees are not scheduled for the future.

Of the part-time, seasonal employees in 2024, 15 are employed consistently; the other 15 employees vary season to season depending on demand. The 22 part-time roster is a rolling average throughout the year (LAFCo 2025). The fluctuating number of seasonal part-time employees is consistent with the nature of recreation and park districts that provide a seasonal variety of programs and services.

The District typically employs the most seasonal employees during the summer months of June, July, and August. Another employment spike occurs during the basketball season from January to February. Additionally, the District relies on volunteer coaches for various team/field sports. There are approximately 35 volunteers serving mostly as coaches at any given time throughout the year across the various programs (LAFCo 2025).

Employee recruitment by the District typically begins in January to staff the summer season. The positions of Fitness Instructor and Recreation Leader (which are part-time positions) are advertised year-round as the District is always seeking new talent (LAFCo 2025). District staff report that utilizing substitute recreation leaders and instructors to fill in as needed has helped bridge gaps during position vacancies.

Within the last five-year period, the District has navigated significant programming disruptions resulting from the pandemic. As such, the District continues to transition out of a multi-year recovery period in its return to standard operations.

2.3.1.1 CONTRACT STAFFING AND SERVICES

The District maintains professional service contracts for legal and financial services. Legal counsel is provided by Shute, Mihaly & Weinberger LLP, and accounting and bookkeeping by the California Special Districts Association (CSDA). Annual audits are conducted by JJACPA (LAFCo 2025).

2.3.2 Agency Performance

A component of monitoring agency performance is routinely evaluating staff productivity. The District tracks its employees' workload and productivity through a timekeeping mechanism and conducts annual written performance evaluations. Every District employee, including full-time staff, must report their detailed work hours and daily schedule (LAFCo 2025). District managers hold weekly staff meetings and conduct frequent staff check-ins. In the regular performance of duty, the District's employees identify areas of improvement and take corrective action when feasible and appropriate, escalating to the Board when further direction is needed.

The District conducts organizational assessments twice yearly, most recently on January 1, 2025. According to the District, the most recent assessment did not identify a need for internal organizational changes (LAFCo 2025).

2.3.2.1 CHALLENGES

The District's services and investments have centered on the Fort Bragg and Mendocino communities for most of its history, reflecting its original boundaries and service area, and dominant stakeholders. In the past three years, the District has increasingly worked to develop programs in historically underserved Point Arena, Manchester, and Gualala. However, property tax revenue obligations to the City of Fort Bragg and the distance between these communities and the District's core operations have created staffing, facility, and travel-related challenges. To address these issues, the District has hired a South Coast Coordinator, along with locally based recreation instructors and leaders, to manage programming and external partnerships, and to accelerate consistent delivery of recreation services across the south and central regions.

Revenue limitations have also constrained the District's ability to offer comprehensive medical, retirement, or other competitive benefits to full-time employees, beyond modest medical stipends. These limitations affect the District's ability to attract and retain highly skilled professional staff needed to sustain and expand services across its geographically extensive territory, particularly in locations distant from the administrative office in Fort Bragg.

2.3.2.2 STRATEGIC OR SUCCESSION PLANNING

The mission of the District is to "provide opportunities on the Mendocino Coast that promote physical and mental well-being for everyone, through active play, community enrichment, programs, and events" (LAFCo 2025).

The Board holds annual strategic planning sessions each April and May (LAFCo 2025) and evaluates progress, challenges, trends, and emerging opportunities as part of the yearly budget development process. To strengthen this work, the District should consider adopting a multi-year strategic plan to clearly articulate service priorities, enhance long-range planning, and improve overall transparency.

Thoughtful and intentional succession planning promotes a sense of security both internally and to the public, and is an important performance measure for an agency. Throughout the year MCRPD managers and Board members network on an informal, yet continuous basis to identify talented and qualified people to be trained for advancement. The social network-based approach has been successful for maintaining operational and leadership stability (LAFCo 2025).

2.3.2.3 DISTINGUISHED SERVICE

The California Association for Park and Recreation Indemnity (CAPRI) has provided a specialized combination of self-insurance, excess insurance, and reinsurance to recreation and parks districts throughout California. MCRPD has been a member of CAPRI since 1986 and received the CAPRI District Safety Award for the past four years, beginning in 2021. Additionally, the District received an 'Excellent' rating from CAPRI for the District's most recently prepared annual audit (LAFCo 2025).

2.3.3 Interagency Collaboration

The District engages in a variety of collaborative partnerships across the region to deliver essential, high-quality recreational services in an efficient and sustainable manner. It currently rents or is a party to memorandums of understanding (MOUs) with local agencies and local non-profit organizations.

Local Agencies

City of Fort Bragg

The City of Fort Bragg charges the District \$25/day (the current rate charged to non-profit users) to use the Fort Bragg Recreation Center at City Hall. MCRPD is the primary user of this facility for the District's Skate Night event, Coast Youth Basketball League, youth and adult volleyball, ping pong and for hosting birthday parties. In FY 2024-25, the District rented the Fort Bragg Recreation Center 200 days.

Fort Bragg Unified School District

The MOU was established in May 2024 and allows the District to use FBUSD's fields and facilities for recreation programming activities. FBUSD also transports students to MCRPD facilities for after school recreation programs.

Mendocino Unified School District An agreement with MUSD to lease the vacated Mendocino Grammar School building for use as the Mendocino Recreation and Community Center. In the early 1990s, the non-profit group, Mendocino Ballpark Association, approached the District about developing the vacant field on the grammar school site into a baseball facility. After significant efforts with this group along with the MUSD, the Ballpark Association undertook and completed the development of the facility, which features a little league ball field. The community center building and playfield, now operated by the Community Center of Mendocino, are not part of regular District programming, and are only utilized by the District through activity specific agreements. In July 2025, The MCRPD Board approved an MOU with MUSD to contribute \$20,000 to the resurfacing of the tennis/pickleball and basketball court at Mendocino High School. The MOU also includes joint use of school district facilities (LAFCo 2025).

Local non-profit organizations

Mendocino Coast Botanical Gardens (501c3)	The District is the fee title owner of the garden properties and leases the property to the Mendocino Coast Botanical Gardens (501c3) for \$1/year. The current rental agreement was last renewed on September 30, 2016, and expires in 2041
Flockworks (501c3)	An MOU with Flockworks ¹⁹ was established in December 2024 and enables Flockworks to deliver afterschool recreation for students at MCRPD facilities. The District provides recreational activities to participants in the Flockworks after school program including gymnastics, intramural sports, basketball, and soccer
Friends of MCRPD (501c3)	Friends of MCRPD is a charitable, non-profit organization whose mission is to encourage appreciation and access to public recreation opportunities within MCRPD, and to give assistance and support for horticultural and cultural leisure-time programs and activities of an educational character. The organization provides funding for programming and capital improvements for the District.

¹⁹ Flockworks is a non-profit organization whose mission is to grow community resilience through creative art programs and cultural enrichment. More information can be found here: <https://www.flockworks.org/>.

Redwood Coast Regional Center (501c3)	MCRPD is a vendor for the Redwood Coast Regional Center, ²⁰ which is a local community-based regional center of the California Association of Regional Center Agencies established to implement the Lanterman Developmental Disabilities Services Act. The Redwood Coast Regional Center serves Mendocino, Lake, Humboldt, and Del Norte Counties and contracts with local business and agencies to fund programming and aides for people with disabilities.
Match Disability Services (501c3)	The MOU with Match Disability Services has an independent contractor agreement with Match, effective July 30, 2024 and it is ongoing. The program provides aides for disabled children and adults to enhance MCRPD program accessibility and experience. MCRPD receives mutual training with Match Disability Services ²¹ through the Redwood Coast Regional Center. ²²

2.3.4 Shared Service Delivery

2.3.4.1 ADJACENT PUBLIC PROVIDERS

The MCRPD service area encompasses nearly all of Mendocino County's coastline, extending from Gualala in the south to areas north of Westport. The territory consists predominantly of unincorporated communities and rural hamlets, as well as the County's two coastal cities, Fort Bragg and Point Arena. Within the District's extensive geographic coverage, recreation services are provided by a combination of federal, state, county, municipal, district, nonprofit and for-profit private entities.

The scenic character of the Mendocino Coast attracts millions of visitors throughout the year, and a wide range of public parks and recreation opportunities exist beyond those offered by MCRPD. Because the District does not own park facilities, the presence of publicly and privately operated recreation facilities plays a significant role in meeting overall recreational demand in the coastal region and complements the District's service offerings.

Following is a summary of recreation services provided by other public agencies within the MCRPD service area.

Bureau of Land Management

The Point Arena–Stornetta Unit of the California Coastal National Monument is a significant recreational and coastal access resource within the South service area of MCRPD. Located along the rugged Mendocino County coastline adjacent to the City of Point Arena, the 1,665-acre Unit includes approximately eight miles of marked trails offering access to coastal bluffs, sea arches, tide pools, sandy beaches, dunes, coastal prairies, and the estuary and mouth of the Garcia River.

²⁰ The Redwood Coast Regional Center is a community-based non-profit funded with state and federal dollars. More information may be found here: <https://redwoodcoastrc.org/>.

²¹ Match Disability Services is a young adult day program and a middle school after school program serving roughly 20 clients with developmental disabilities. More information may be found here: <https://www.matchds.com/>.

Designated by Presidential Proclamation on March 11, 2014, as the first shoreline unit of the California Coastal National Monument, the Point Arena–Stornetta Unit was established to protect important biological habitats, cultural resources, geologic features, and public recreational access.

The Unit is open for daytime use and supports activities such as wildlife viewing, hiking, birdwatching, fishing, picnicking, and nature photography. The privately owned Point Arena Lighthouse, located at the northern end of the Unit, is accessible via Lighthouse Road, a county-maintained roadway.

Figure 2-5 Point Arena-Stornetta National Monument Unit



Source: [BLM 2025](#)

CAL FIRE Jackson Demonstration State Forest

Jackson Demonstration State Forest (JDSF) was established in 1949 and encompasses 48,652 acres located between the Cities of Fort Bragg and Willits along State Highway 20. The JDSF is managed by CAL FIRE and is a significant recreational trail and camping resource within the coastal zone of the North MCRPD service area. The forest provides a wide range of low-cost and free recreational opportunities, including camping, hiking, mountain biking, horseback riding, swimming, mushroom gathering, hunting, and picnicking.

Seasonal camping is typically available from mid-May through September, weather permitting. The forest includes approximately 48 miles of designated trails and remains open to the public in most areas, although certain locations may be temporarily closed for visitor safety.

Recreation facilities are concentrated primarily in two campground areas: Camp One on the west end and Camp 20 on the east end. Camping experiences range from single, private, self-contained campsites to campgrounds with up to 16 sites. Facilities are intentionally designed to remain rustic, with structures and signage constructed using locally sourced materials that reflect the character of the redwood forest landscape.

JDSF also includes three designated day-use areas for picnicking and outdoor enjoyment. In addition to recreation, the forest provides educational opportunities related to timber management, the natural environment, and local cultural and historical resources.

California State Parks

The California Department of Parks and Recreation (State Parks) own and operates roughly 280 park units statewide, encompassing State Parks (SP), State Beaches (SB), State Vehicular Recreation Areas, State Historical Parks and Monuments (SHP), State Natural Reserves (SNR), State Marine Parks, Reserves, and Seashores, State Recreation Areas (SRA), wayside campgrounds, and designated points of interest. These statewide parks and recreation programs are further supported by State Parks' divisions—Boating and Waterways, Off-Highway Motor Vehicle Recreation, and the Office of Historic Preservation—which together deliver substantial benefits to communities throughout the District.

Within MCRPD territory, State Parks owns and operates 17 parks and are listed in Table 2-4 below. The table also identifies the District's service region in which the park is located (i.e., north, central, or south, as described in Section 2.1.3).

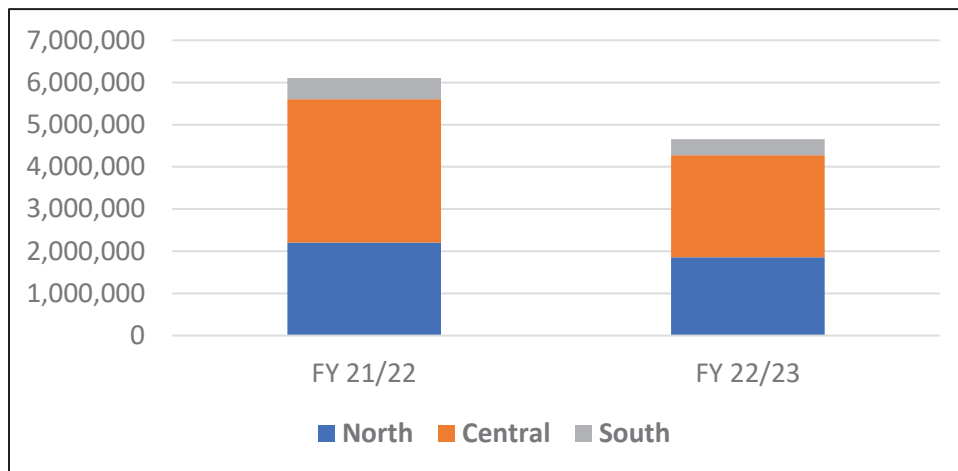
Each year, an annual statistical report on State Park visitation is produced by the Strategic Planning and Recreation Services Division of the California State Parks Department. The three most recent years of available annual visitation data for state parks located in Mendocino County are summarized below in Table 2-4. It is noted that total visitor estimates account for free/paid day use as well as camping use. It is noted that the data for fiscal year (FY) 2020/21 was not readily available, presumably due to park closures resulting from the COVID-19 pandemic.

Table 2-4: State Park Units in MCRPD Boundary				
MCRPD Service Region	State Park Unit Name	Total Visitors		
		FY 20/21	FY 21/22	FY 22/23
North	Caspar Headlands SB	-	169,998	123,408
	Caspar Headlands SNR	-	57,550	37,342
	Jug Handle SNR	-	281,679	164,246
	MacKerricher SP	-	1,537,872	1,374,873
	Mendocino Woodlands SP	-	8,231	16,372
	Montgomery Woods SNR	-	30,674	19,138
	Point Cabrillo Light Station SHP	-	287,842	170,205
	Russian Gulch SP	-	423,394	241,502
	Westport-Union Landing SP	-	55,059	41,137
	<i>Subtotal</i>		2,852,299	2,169,085
Central	Greenwood SB	-	144,057	83,230
	Mendocino Headlands SP	-	2,452,719	1,844,995
	Navarro River Redwoods SP	-	83,705	64,099
	Van Damme SP	-	160,436	141,866
	<i>Subtotal</i>		2,840,917	2,134,190
South	Manchester SP	-	72,035	35,755
	Schooner Gulch SB	-	137,187	88,299
	<i>Subtotal</i>		209,222	124,054
	Total Annual Visitors	10,087,532*	5,922,705	4,473,495
* Annual visitor tallies for individual parks were not available for FY 2020-21 due to the pandemic.				

Source: California State Parks 2022 and 2023.

Given the natural beauty and popularity of the region with tourists, there is a significant draw of visitors from outside of Mendocino County. Figure 2-6 below portrays the distribution of total annual visitation of the state park units located in the MCRPD boundary by service region for the most recent reported years. As noted above, the COVID-19 pandemic interrupted availability of data for the FYE 2020 and 2021. On average, the central service region receives the highest visitor use with the south service region receiving the least.

Figure 2-6 State Park Unit Admittance by MCRPD Service Region



Source: California State Parks 2022 and 2023.

County of Mendocino

The Mendocino County Parks system is operated by the Parks Division of General Services and maintained by the Facilities and Fleet Division of the General Services Agency. The Parks system includes six parks and three public access areas, all of which are maintained by County Facilities and Fleet Division maintenance and grounds keeping staff (Table 2-5). Additionally, the County has several public recreation areas including the Low Gap Dog Park, Vichy Springs Bridge Fishing Area, and McKee Parkway (County of Mendocino 2025). Bower Park is the only County Park within the MCRPD territory and is located in the South service region (see Section 2.3.4.4 for more discussion).

Table 2-5: County of Mendocino Parks and Recreation Facilities

Facility	Acres	Location	Services
Bower Park	10	Gualala	Tennis and pickleball courts, baseball field, basketball court, two playgrounds, nature trail/fitness course, picnic area and barbeque pit, public restrooms, parking lot
Low Gap Park	80	Ukiah Valley	Tennis courts, a small playground, disc golf course, picnic areas, fenced dog park, an archery range, horseshoe pits, and public restrooms
Faulkner Park	40	Boonville	Small playground, trail, public restrooms and parking lot
Indian Creek Park		Philo	10 overnight camping sites; it is the only park in the County Parks system that allows overnight camping

Table 2-5: County of Mendocino Parks and Recreation Facilities

Facility	Acres	Location	Services
Mill Creek Park	400	Talmage/Ukiah Valley	Three dams providing swimming and fishing areas, small playground, horseshoe pits, barbeque pits, and picnic area
Redwood Valley Lions Club Park	3	Redwood Valley	Baseball field, restrooms, sheltered picnic area, small play area, and a parking lot

Source: County of Mendocino 2025.

The County recently completed a park needs assessment evaluating the overall condition and long-term sustainability of public parks in Mendocino County. The study was conducted in two phases. The County Parks Needs Assessment Report (Phase I), published in February 2020, identified key challenges affecting the long-term health of County parks, including the need for adequate and sustainable funding, sufficient staffing for maintenance and operations, and improvements to public safety (County of Mendocino 2020).

The Mendocino Parks Operations and Maintenance Report (Phase II), published in February 2022, expanded on this analysis by evaluating operational costs, identifying funding opportunities to support increased staffing, exploring additional revenue sources, prioritizing capital and maintenance projects, and estimating the overall costs associated with necessary upgrades and improvements (County of Mendocino 2022).

The County and District are collaborating on major repairs and deferred maintenance of Bower Park in Gualala. See Section 3.2.1.1 for more detail.

City of Fort Bragg

The City of Fort Bragg (Fort Bragg) is located entirely within the District boundaries and within the North service region. The City owns and operates five parks within Fort Bragg: Pomo Bluffs Park, Otis R. Johnson Park, Noyo Headland Park, Harold O. Bainbridge Park, two dog parks, and Fort Bragg Skate Park. Additionally, the City has begun planning for annexation, recreational development and use of the 582-acre property on State Route 20.

Additionally, the City still maintains the original Fort Bragg Recreation Center (known as the 'old gym') located at the back of City Hall on Laurel Street, of which the District is the most frequent user. The space is used by the District for the Skate Night event, Coast Youth Basketball League, youth and adult volleyball, ping pong and for party rentals (LAFCo 2025).

The City of Fort Bragg is establishing a fully integrated parks and recreation department in fiscal year (FY) 2025-26. As outlined in the City's adopted budget plan for FY 2025-26, the parks and recreation department will consolidate several existing programs, including public space maintenance, C.V. Starr Center operations, facility rental services, youth and adult programming, and event planning responsibilities (City of Fort Bragg 2025a, pg. 11 and pg. 329). The adopted budget outlines the following priorities to guide the department's formation:

- Expand recreational offerings and amenities for youth, seniors, and working families, including fitness, wellness, and aquatic programs.
- Initiate capital planning for park enhancements and future recreational use.
- Engage public-private and interagency collaboration, including a partnership with Fort Bragg Unified School District to jointly operate recreation programs and shared facility use and

coordination with local non-profits and youth organizations to increase park stewardship and volunteer opportunities.

- Enhance community engagement and wellness through community events and recreational scholarships (City of Fort Bragg 2025a, pgs. 325 and 329).

Recent actions associated with the City's establishment of a Parks and Recreation Department include prioritizing and consolidating storage space and facility use for City activities. Historically, MCRPD's programming and administrative functions have been concentrated in the Fort Bragg area. As the City expands its in-house recreation programming and strengthens partnerships with local school districts, the structure and delivery of recreation services within Fort Bragg are evolving.

The creation of a City-operated Parks and Recreation Department reflects an effort to integrate recreation programming with broader municipal priorities, including economic development, public health, and neighborhood vitality. At the same time, the establishment of a municipal recreation provider in the District's primary service center changes the local service delivery landscape. Overlapping services or administration functions may raise questions regarding allocation of property tax revenues, service fee structures, and overall governmental efficiency. These changes may also affect the District's economies of scale within Fort Bragg and could influence its customer base.

Given these evolving conditions, coordination between the City and the District will be important to maintain clarity in service delivery and minimize duplication of services. Opportunities may exist for collaboration in areas such as regional program coordination, facility use agreements, and complementary programming. As the City's department develops, the District may benefit from conducting a comparative evaluation of services provided by each agency to identify opportunities for partnership and to ensure efficient use of public resources while maintaining consistent access to recreational programs.

C.V. Starr Community Center

The C.V. Starr Community Center, located in the City of Fort Bragg, served as the District's primary facility and core service focus until 2023. The District was originally formed to develop and operate a modern recreation center to replace the former Fort Bragg Recreation Center, which had been its only facility in the early years. Development of the C.V. Staff Center occurred over several decades and coincided with annexations that expanded the District's service area to approximately 77 miles of coastline. Despite this geographic expansion, the Center remained the primary focus of District capital investment and programming for many years.

The facility includes a 25-yard, 8-lane lap pool; a leisure pool with beach entry, spray features, a lazy river, and water slide (Figure 2-7); and additional amenities such as group exercise and spin rooms, fitness areas, multipurpose rooms, pétanque courts, a skate park, dog parks, and picnic areas. The Center has played a defining role in the District's history and identity and continues to serve as a significant recreation facility.

Key milestones in the development and transition of the Center include:

- **1978:** District acquired a five-acre parcel in central Fort Bragg using Park Bond Act funds
- **1982–2008:** District annexed additional territory to the north and south, expanding its service area
- **2002–2008:** Major philanthropic grants supported construction of the Center
- **2009:** C.V. Starr Community Center opened to the public

- **2012:** City of Fort Bragg assumed ownership and management; District agreed to allocate 45 percent of its annual property tax revenue to support operations
- **2020–2022:** Facility closed during the COVID-19 pandemic
- **2023–2025:** Full operational transition from the District to the City completed

Figure 2-7 Aquatic Center at C.V. Starr



Source: City of Fort Bragg 2025c.

Since 2025, the City has assumed full ownership and operational responsibility for the C.V. Starr Center, including staffing, maintenance, and long-term infrastructure investment. Under the 2012 Agreement, the City continues to receive 45 percent of all property tax revenue collected within the District, distributed through the County's Teeter Plan, and manages an enterprise fund dedicated to Center operations. The City also approved a local sales tax measure in 2012 to further support operation of the facility.

Following the transition, the District discontinued all administrative, office, storage, and program use of the Center. District staff previously assigned to the Center became City employees, and a private donation received by the District for aquatic purposes was transferred to the City as part of the transition. Although the District no longer owns or operates the facility, it remains financially obligated under the 2012 Agreement to contribute a portion of property tax revenue to support City parks and recreation, including operation and maintenance of the Center.

As of June 2025, the C.V. Starr Center continues to offer a broad range of recreational programs operated by the City of Fort Bragg. Tables 2-6 and 2-7 summarize available program and attendance data. Although the facility is no longer operated by the District, these data are included to illustrate the scale and types of recreation services provided at the Center. Attendance data for FY 2021–22 and FY 2022–23 are partial due to COVID-19 closures and the operational transition. In total, the Center recorded approximately 89,300 individual visits in FY 2023–24 and 91,300 visits in FY 2024–25.

Table 2-6: C.V. Starr Center Annual Admittance

Admittance Type	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Memberships / Monthly & Recurring	761	1,074	1,413	1,826
Silver Sneakers & Renew Active	1,192	1,282	1,366	1,464
Total Active Memberships	1,953	2,356	2,779	3,290
Drop-in Daily Passes	8,091	12,453	11,053	11,822
TOTAL DAILY PASSES	8,091	12,453	11,053	11,822
Total Individual Visitors			13,832	15,112
Total Facility Admittance* (Daily Passes & Memberships)	--	--	89,298	91,300

* Total facility admittance accounts for each daily visit by a visitor with membership or a daily pass.

Source: City of Fort Bragg 2025.

Table 2-7: C.V. Starr Center Annual Facility/Program Specific Admittance

Facility Type	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Fitness Classes	--	--	13,890	19,868
Cardio Room	--	--	3,207	11,886
Weight Room	--	--	6,027	17,060
Spin Room	--	--	966	1,978
Independent Contractor Led Classes	--	--	419	1,764
Leisure Pool	--	--	9,865	15,479
Lazy River – Water Walking	--	--	3,045	11,695
Competition Pool	--	--	16,326	21,076
Facility Day Observers	--	--	6,076	13,042
Enrichment (Art & Archery Camp)	--	--	2,760	3,317
Easter Splash	--	--	261	289
Pumpkin Splash	--	--	249	268
Water Safety Day	--	--	129	311
Swim Lessons	--	--	2,821	3,402
Second Grade Swim Program	--	--	274	285
Facility Rental	149	193	168	157
Annual Weekend Swim Meet	--	--	1,000	1,000
High School Swim Meet	--	--	756	764
Championship Swim Meet Annual	--	--	584	612
Special Olympics Swim Team	--	--	275	286
KUDOS After School Program	--	--	3,080	3,094
Independent Summer Programs	--	--	--	1,280
Alternative Education P.E. Class	--	--	--	720
Aquathon	120	118	87	78
Trunk-OR-Treat	1,500	1,000	1,100	1,200
Oktoberfest	--	--	266	416
Winter Events	--	--	251	342
Blues Festival	--	--	--	250

Table 2-7: C.V. Starr Center Annual Facility/Program Specific Admittance

Facility Type	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Labor Day Craft Fair	1,500	1,600	1,700	1,700
Other Special Events	--	--	1,760	2,010
Dog Park(s)	10,950	10,950	10,950	10,950
Skate Park	12,500	13,000	14,650	14,650

Source: City of Fort Bragg 2025.

The District's continuing financial obligation to the Center has implications for its long-term fiscal sustainability and its capacity to provide equitable recreation services across the broader service area. Currently, 45 percent of the District's property tax revenue, collected from the entire 77-mile coastal service area, is allocated to the City of Fort Bragg for this purpose. The 2012 Agreement does not include a sunset provision and remains unless amended or terminated by the parties. Under Section 3 of the Agreement, the City's payment is calculated as the lesser of: (a) 45 percent of the District's total property tax revenue, or (b) the amount of District property tax revenue attributable to property located within the Fort Bragg city limits.

The District has not calculated parcel-level property tax generated within the City and instead relies on summary property tax and budget information prepared by the County and other agencies. For purposes of this MSR, LAFCo has relied on available aggregate data for the District and the City. Parcel-level fiscal analysis was not conducted, as it falls outside the typical scope of an MSR and would require substantial additional data compilation.

City of Point Arena

The City of Point Arena is a small, incorporated community located within the South service region of MCRPD. The City owns, operates, and maintains two public parks through its Public Works Department. Arena Cove and Pier, located within the Point Arena Harbor, serves as a key recreation area and venue for major community events, including the Independence Day Fireworks celebration, Street Fair, and Harbor Festival. Centennial Plaza and Fisherman's Playground are located in downtown Point Arena, which also hosts a seasonal Friday Farmers' Market.

MCRPD provides supplemental programming within the City, including cornhole and horseshoe tournaments, Theatre Camp at the Arena Theater, and skate night events.

The City has recently funded a "Trails, Open Space, and Parks" strategic planning initiative aimed at improving local trail connectivity and strengthening links between the City and the Point Arena–Stornetta Unit of the California Coastal National Monument north of the city limits.

The Point Arena Merchants Association maintains a [website](#)²³ providing information about the City and area recreation offerings.

The District regularly attends the Point Arena City Council Parks Committee to coordinate and collaborate on potential partnerships for capital and operational improvements where possible (LAFCo 2025).

2.3.4.2 SHARED SERVICES AND FACILITIES

As detailed in Section 2.3.3, the District has agreements with several different agencies and groups throughout its territory to provide cost-effective recreational services that are readily accessible and

²³ The official website for the Point Arena Merchants Association can be found here: <https://pointarena.net/explore/>.

affordable to local users. Table 2-8 illustrates the arrangements the District is party to for shared facilities and services.

Table 2-8: Partner Agreements for Shared Services and Facilities	
Partner	Shared Service/Facility
City of Fort Bragg	District headquarters building and gymnastics studio are in a leased commercial building in Fort Bragg (100 N Main Street). The District also leases a studio building in Fort Bragg (579 S Franklin), for mixed martial arts, dance fitness programs, and after school programs all hosted by the District. Both leases are with private parties.
Fort Bragg Unified School District	Use of fields and facilities for 6 recreational programs
Mendocino Unified School District	Joint use of school district facilities for programming; recently entered an MOU to fund resurfacing of the tennis/pickleball and basketball court at Mendocino High School.
Redwood Coast Recreation Center	Facility use in Gualala for 2 to 4 events annually (e.g., horseshoe and disc golf activities).
Flockworks	A three-party MOU with Flockworks, MCRPD and the FBUSD. The MOU supports MCRPD, providing intramural sports programming at FBUSD within the Flockworks after school program. FBUSD provides transportation for the Flockworks after school program to MCRPD Gymnastics at 100 N. Main Street and Martial Arts at 579 S. Franklin Street.
3G Familia Farms	Use of privately-owned field in Manchester for girls' recreation softball and flag football, and horseshoe tournaments.

Source: LAFCo 2025.

Insurance for its business activities is provided to the District via participation in CAPRI, which provides a specialized combination of self-insurance, excess insurance, and reinsurance to recreation and parks districts throughout California.

2.3.4.3 DUPLICATION OF SERVICES

Numerous state and local agencies and organizations within the MCRPD service area provide park and recreational programming opportunities (Table 2-9). To enhance recreational experiences and opportunities in the region, the District designs its programming to complement rather than duplicate recreational opportunities offered by others within its service area (LAFCo 2025).

Table 2-9: Examples of Other Recreation Programming Providers

Category	Entities	Service Region
Local Agencies	City of Fort Bragg Parks and Recreation Department C.V. Starr Community Center	North
Non-Profit Organizations	Coast Little League Fort Bragg Little League Fort Bragg Football and Cheerleading – Cubs Fort Bragg Girls Softball Association Fort Bragg Unified School District Sports Sea Dragons Swim Team Tsunami Cheer West Coast Sports Academy Coast Youth Soccer League The Community Center of Mendocino (non-profit at Friendship Park) Mendocino Coast Sports Academy Mendocino Unified School District Sports Point Arena Unified School District Sports Redwood Coast Recreation Center Flockworks Mendocino Dance Project	North North North North North North North North North, Central, Central South South South South South/Central South/Central
Private Businesses	Jordans Studio Mendocino Coast Sports Club Redwood Dance Studio Far West Martial Arts (Point Arena) Coast Little League (Gualala) The Village Studio Dance (Gualala) Physical Gym (Gualala)	North North North South South South South

Source: LAFCo 2025.

MCRPD actively seeks out and engages in partnerships with other providers to augment service capacity, enhance quality, improve coordination, and expand program delivery. The District has found that certain chronically under-resourced programs or unmet community needs are most effectively addressed by increasing the availability of highly popular programming, strategically targeted to locations, times, and participant groups that are not otherwise served by providers in the surrounding area, scaled and delivered to provide access and recover public costs (LAFCo 2025).

2.3.4.4 ENHANCED SERVICE DELIVERY OPTIONS

The District collaborates with numerous agencies and community groups, through both formal agreements and informal coordination, to support the delivery of recreational services throughout the MCRPD service area. These partnerships are essential to designing and providing services that are accessible, affordable, equitable, cost-effective, and sustainable.

An example of this collaborative approach can be seen at Bower Park in Gualala, one of the historically underserved south coast communities (LAFCo 2025). Bower Park is an approximately 10-acre facility owned and operated by the County of Mendocino. Its amenities include a baseball/soccer field, two age-specific play structures, tennis courts, a basketball court, picnic and barbecue areas, a paved walking

trail, a parcourse, accessible restrooms, and on-site parking. There are no visitation fees for the park; however, the County charges modest fees for reserving facilities for exclusive use.

The County has no plans for long-term funding of operations and maintenance of Bower Park, even at the current base level of \$35,000 per year. In 2022, as part of a follow-up report to the Parks Needs Assessment, the County estimated the cost of sustaining maintenance of Bower Park at \$75,000 per year (County of Mendocino 2022). However, MCRPD anticipates actual maintenance and operations will cost substantially more than \$75,000, considering the rapid escalation in labor and material costs since 2022 (LAFCo 2025).

The District Board of Directors has acknowledged the need for expanded recreational opportunities in the central and south regions of its service area (LAFCo 2025). Bower Park is a critically important public recreation asset with significant potential to support enhanced service delivery for south coast communities.

In its response to the request for information (RFI) for this MSR, the District emphasized the importance of having complete and current information on funding sources and capacity, service-area demographics, service-delivery costs, and the implications of other funding allocations on the District's long-term sustainability (LAFCo 2025) before committing to long-term partnerships regarding Bower Park.

LAFCo staff encourage the District to continue working with the County's General Services Department to explore the possibility of MCRPD assuming operation and maintenance responsibilities for Bower Park. However, this exploration should proceed only if a full evaluation of the fiscal feasibility of such an undertaking is conducted.

2.3.4.5 GOVERNMENT RESTRUCTURE OPTIONS

Government restructuring options should be considered where they offer clear public benefits, such as reduced costs, improved efficiency, enhanced accountability or representation, or other measurable advantages.

The transition of the C.V. Starr Community Center to the City of Fort Bragg the City's establishment of a new parks and recreation department, and City efforts to expand the inventory of park facilities and recreational services mark continuing evolution of recreation services delivered in Fort Bragg. These changes eliminate the District's direct ownership of facilities within the City and result in overlapping responsibilities between the City and the District for recreation programming in the Fort Bragg area.

The Fort Bragg transition coincides with District efforts to provide recreational services to communities throughout the coastal region, build complementary partnerships, minimize unnecessary service overlap, and strengthen its overall fiscal condition. Going forward, opportunities may exist for the District to enhance operational efficiency, better identify and respond to unmet recreational needs in its various coastal communities, and refine its programming and fee structure to support long-term financial sustainability.

2.4 Finances

LAFCo is required to make determinations regarding the financial ability of MCRPD to provide its services. This section includes District financial information for the year-end June 30, 2021, through year-end June 30, 2024, and long-term financial considerations. The audited Annual Financial Reports (AFR) from the

District for the four fiscal years (FY) 2019/2020 through 2023/2024 are the primary source of information for this Chapter.

In California, funding for special districts comes in two varieties, based on their source of revenue:

- Enterprise districts: Finance of district operations is via fees for public service, similar to a business. Under this model, the customers that consume goods or services, such as drinking or irrigation water, waste disposal, pay a fee. Rates are set by a governing board, and there is a nexus between the costs of providing services and the rates customers pay. Sometimes enterprise district may also receive property taxes, which comprise a portion of its budget.
- Non-enterprise districts: Non-enterprise districts provide services that indirectly benefit the entire community, such as recreation, libraries, parks, community centers, fire protection, and cemetery districts. Since these types of services do not lend themselves to being funded totally by fees, they are often funded through property taxes.

MCRPD is primarily a non-enterprise district because it receives property tax. The District also charges fees for recreation services. The non-enterprise functions include general district administrative staff and functional operations, administrative facilities and equipment, and program costs in excess of collected customer fees. These non-enterprise costs are funded through property taxes. Property taxes are administered by the County of Mendocino, and these tax revenues are considered subventions not restricted as to purpose.

2.4.1 Current Fiscal Health

The District Board of Directors annually adopts a budget and has an independent financial audit performed each year. The District Board also has an established Finance Committee that meets as needed to review financials and prepare for upcoming budget reports. Annual and mid-year budget reports, adopted financial policies, and annual audit reports are publicly available on the District's website. As of the writing of this MSR, the District is currently up to date on its audit schedule. Audits were prepared by an independent Certified Public Accountant (CPA), JJACPA, Inc.

The District's audited annual financial reports consist of two parts: the basic financial statements and the government-wide financial statements. MCRPD's basic financial statements cover the government-wide financial statements, the fund financial statements, notes to the financial statements, and other supplementary information such as management discussion and analysis.

The government-wide financial statements present the financial snapshot of the District from the economic resources measurement focus using the accrual basis of accounting. This section includes the statement of net position and statement of activities. Both statements distinguish functions of MCRPD that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business activities) (JJACPA, Inc. 2025, pg. 5).

The District utilizes the fund accounting method to demonstrate accountability for its finance-related legal requirements. The District maintains one major governmental fund, the General Fund. The General Fund consists only of general government type activities and financial resources not required to be accounted for in another fund (JJACPA, Inc. 2025, pgs. 6 and 29).

The District has reported to LAFCo staff that current financing levels are nominally adequate for delivery of services at current levels. However, the District is evaluating need and actively seeking additional funding resources to reduce geographic disparities and increase the variety, quantity, and geographic distribution of recreational programming and facility operations.

Table 2-10 summarizes the audited financials reflecting the government-wide financial analysis approach. The property tax revenue reflects only that portion of the tax apportionment that the District receives; per the 2012 Agreement with the City of Fort Bragg, 45 percent of the tax apportionment is given directly to the City to support the C.V. Starr Center (see Section 2.3.4.1 for more detail).

Table 2-10: MCRPD Financial Summary				
	FY 2021 (\$)	FY 2022 (\$)	FY 2023 (\$)	FY 2024(\$)
<i>Program Revenue</i>				
Charges for Services	18,549	70,525	129,395	231,876
<i>General Revenue</i>				
Property Taxes	298,229	351,093	347,476	379,218
Use of Money and Property	--	--	--	13,451
Intergovernmental	15,473	--	--	8,531
Other General Revenues	254	1,874	--	1,487
Gain on Sale of Surplus Property	--	--	1,655,010 ^a	--
Total Revenues	332,505	423,492	2,131,791	634,563
<i>Expenses (Governmental Activities)</i>				
Salaries and Benefits	177,836	285,437	127,499	255,910
Programs	80,270	6,046	21,043	8,479
Sports		3,008	7,791	2,326
Marketing	6 55	918	1,209	2,888
Operations	100,371	45,775	131,181	291,274
Events	1,032	7,733	7,004	2,208
Other	11,274	6,500	160,845	768
Interest	123,540	52,623	--	--
Total Expenses	494,978	408,040	456,572	563,853
Operating Income/(Loss)	(162,473)	15,452	1,675,219	70,710
^a See <i>Highway 20 Property</i> discussion below for explanation of revenue.				

Sources: JJACPA, Inc. 2022, pg. 8; JJACPA, Inc. 2024a, pg. 8; JJACPA, Inc. 2024b, pg.8; and JJACPA, Inc. 2025, pg. 8.

While operating as a single fund, the District maintains two different modes: operations and capital activities. Operations encompass the management and delivery of numerous recreational programs. Historically, capital activities focused predominantly on development of the C.V. Starr/Spath Center and the regional golf course or off-highway vehicle park proposed on the District's previously owned Highway 20 property. The millions of dollars involved in the finance of the two capital projects over the years dwarfed the District's operations expenditures and ultimately overwhelmed the District's revenue capacity. However, as of FY 2024, the District no longer owned the properties or had financial responsibility for the capital projects.

Highway 20 Property

In April 2008, the District entered into a lease arrangement with Municipal Finance Corporation (MFC) for the Highway 20 property. The District received \$2.3 million in upfront ("advanced rental") payments for

leasing the proposed golf course to MFC, then subleased the property back for biannual payments of \$91,238 over 20 years. MFC assigned its rights under the sublease to Westamerica Bank on the same day.

The District did not generate sufficient revenue to make the required biannual payments, resulting in ongoing budget shortfalls. After unsuccessful negotiations with Westamerica Bank, the District filed for Chapter 9 bankruptcy on December 29, 2011. The Bank challenged the filing, asserting that the District had not met the pre-filing negotiation requirements. Ultimately, the Bank concluded that the proposed development was not feasible and that the District lacked the ability to repay the debt. At the District's request, and with the Bank's consent, the Chapter 9 case was dismissed without prejudice on March 1, 2021.

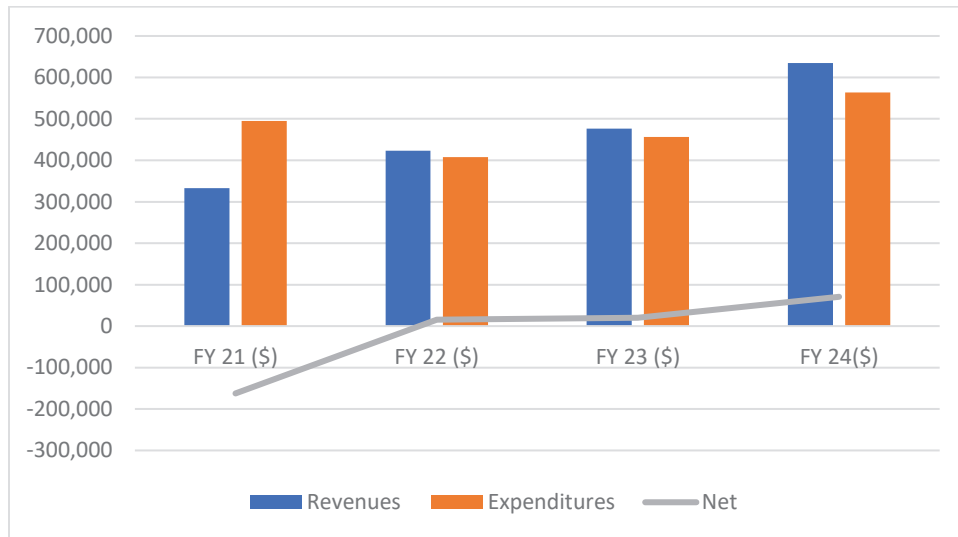
The District and Westamerica Bank later agreed that a short sale of the Highway 20 property to the City of Fort Bragg would resolve the outstanding debt. The sale was completed in April 2023. Although the transaction was recorded as a "gain on sale of surplus property" in FY 2023 revenues, all proceeds were used to satisfy the debt to Westamerica Bank, and the District realized no net financial gain from the sale.

2.4.1.1 REVENUES AND EXPENDITURES

The District's revenues and expenditures are summarized in Table 2-11 and Figure 2-8. The significant increase in net revenue in FY 2023 was the result of proceeds from the short sale of the Highway 20 Property to the City of Fort Bragg. All of the revenue from the sale was used to retire the outstanding debt on the property and is not included in the summaries below. Since the transition of the C.V. Starr Center in 2024, the District's efforts to rebuild and expand its programming have produced a modest but positive net budget position.

Table 2-11: MCRPD Revenues and Expenditures				
	FY 2021 (\$)	FY 2022 (\$)	FY 2023 (\$)	FY 2024(\$)
Revenues	332,505	423,492	476,781 ^a	634,563
Expenditures	494,978	408,040	456,572	563,853
Net	(162,473)	15,452	1,675,219	70,710
Notes:				
^a Revenue does not include "Gain on Sale of Surplus Property" in FY 2023 because all proceeds were used to satisfy the debt; the District realized no net financial gain from the sale.				

Source: JJACPA, Inc. 2022, pg. 8; JJACPA, Inc. 2024a, pg. 8; JJACPA, Inc. 2024b, pg. 8; and JJACPA, Inc. 2025, pg. 8.

Figure 2-8 Summary of MCRPD Revenues and Expenditures

2.4.1.1.1 Revenue

The District primary sources of revenue are service charges and property taxes. These revenues are classified into two categories: program revenues and general revenues. Program revenues include 1) service charges to customers or applicants for goods, services, or privileges; 2) operating grants and contributions; and 3) capital grants and contributions. As of June 2024, the District reports all charges for services under program revenues. All tax revenues and internally dedicated resources are classified as general revenues.

Program Revenue (Charges for Services)

The latest audit report shows that program revenue totaled \$231,876 in fiscal year ended 2024. Service charges over the last three fiscal years are summarized in Table 2-12. It is noted that FY ended 2021 and 2022 reflect program and facility closures related to the COVID-19 pandemic.

Table 2-12: MCRPD Program Revenue (Services Charges)

Charges for Services	FY 2021 (\$)	FY 2022 (\$)	FY 2023 (\$)	FY 2024 (\$)
Enrichment	18,324	22,601	76,197	190,846
Youth Sports	225	5,236	12,555	19,304
Adult Sports	-	7,808	3,980	10,456
Special Events	-	20,073	21,810	8,651
Drop In/New Activities	-	14,807	14,853	2,620
Total	18,549	70,525	129,395	231,876

Sources: JJACPA, Inc. 2022, pg. 21, JJACPA, Inc. 2024a, pg.21, JJACPA, Inc. 2024b, pg. 21, and JJACPA, Inc. 2025, pg. 23.

In 2023, the District had fewer than six programs (Gymnastics, Roller skating, Adult Softball and Coast Youth Basketball League). In 2024, the District increased programming exponentially, which is represented in the programming revenue increase by 176.1 percent.

In fiscal year ended 2024, program revenue increased 79.2 percent over the previous fiscal year. The 2025 JJACPA audit notes that programming revenue from Gymnastics increased by \$48,540 because the program ran for a full year compared to only one quarter in the prior fiscal year (JJACPA, Inc. 2025, pg. 4).

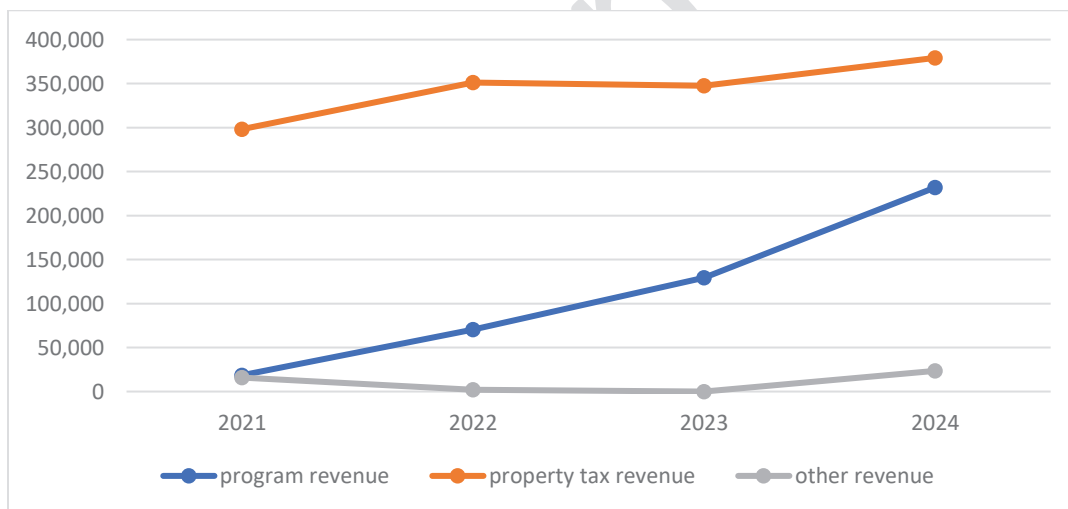
Management's discussion and analysis in the latest audit report credits this growth to the expansion of the District's programs.

Revenue as a percentage of operating expenditures (or cost recovery) can be an effective way to evaluate pricing structure and guide future budgetary decisions. The typical park and recreation agency of this size recovers 25.8 percent of its annual operating expenditures from non-tax revenue (NRPA 2025).²⁴ The MCRPD's program revenue represented 36.5 percent of its overall annual revenue in FYE 2024, up from 27.1 in FYE 2023, and 16.7 in FYE 2022 (Figure 2-8 and Table 2-12). The significant change in program revenue from FYE 2021 and 2022 to FYE 2024 reflects the reopening and recovery from the COVID-19 pandemic.

General Revenue

General revenues support the District's core operations. In FY 2024, property taxes comprised 94.2 percent of general revenues (\$379,218) and reflected a 9.1 percent increase from FY 2023 due to higher assessed property values. Other general revenues totaled \$23,469 and included use of money and property, intergovernmental revenues, and miscellaneous sources. Figure 2-9 portrays the overall trends in revenue sources.

Figure 2-9 Revenue Sources FYE 2021- 2024



Source: JJACPA, Inc. 2025, pg. 9.

The District receives a portion of property taxes from the County of Mendocino, which is the entity responsible for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are assessed on July 1 with a lien date of January 1. Secured property taxes are due in two installments, November 1 and February 1, and are delinquent after December 10 and April 10, respectively, for the secured roll.

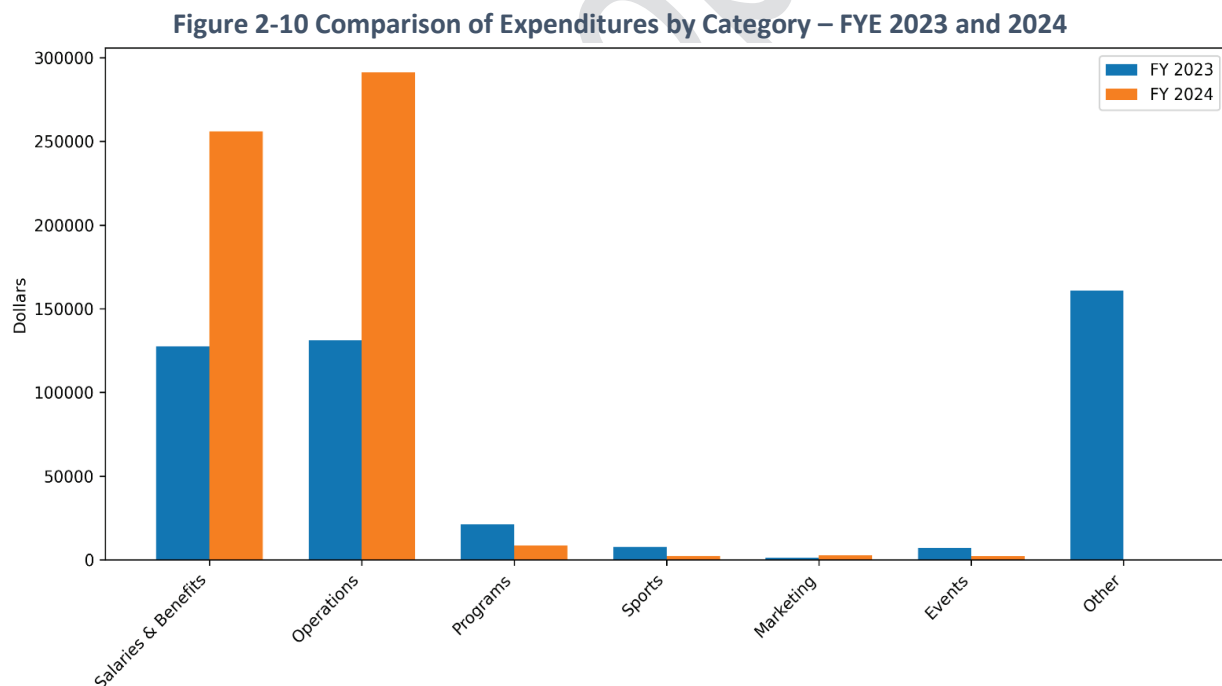
²⁴ The NRPA agency performance review standards may be found here: <https://www.nrpa.org/publications-research/research-papers/agency-performance-review/>

Mendocino County operates under a Teeter Plan²⁵, under which the District and the City of Fort Bragg receive their allocated property tax revenues at the beginning of the fiscal year, while the County collects the taxes in arrears. The County assumes the risk of uncollected taxes and, in exchange, retains all related penalties and interest. Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year received.

2.4.1.1.2 Expenditures

Following the transfer of C.V. Starr Center operations to the City of Fort Bragg in 2024, the District focused on strengthening its capital capacity and expanding programs across its service area. As required by the agreement, the District relocated its administrative offices to leased commercial space in Fort Bragg, resulting in higher operating expenses in FY 2024 related to one-time startup costs for office space, equipment, supplies, and ongoing market-rate rental payments. Recreation programs and sports, however, experienced a reduction in net service costs, as certain one-time expenses incurred in late FY 2023 did not recur in FY 2024 (JJACPA 2025, p. 10).

Expenditures for MCRPD for fiscal year ended 2024 are reported in the government-wide financial statements (statement of activities) using the accrual basis of accounting. The latest audit report's statement of activities shows that the total expenses for all governmental activities in FY 2024 totaled \$563,853. A summary of expenses by category over FYs 2023 and 2024 are provided below:



Source: JJACPA, Inc. 2025, pg. 11.

In FY 2023-24, total District expenditures for governmental activities increased by approximately \$107,000 (about 23.5 percent) compared to the prior fiscal year, according to the District's audited financial

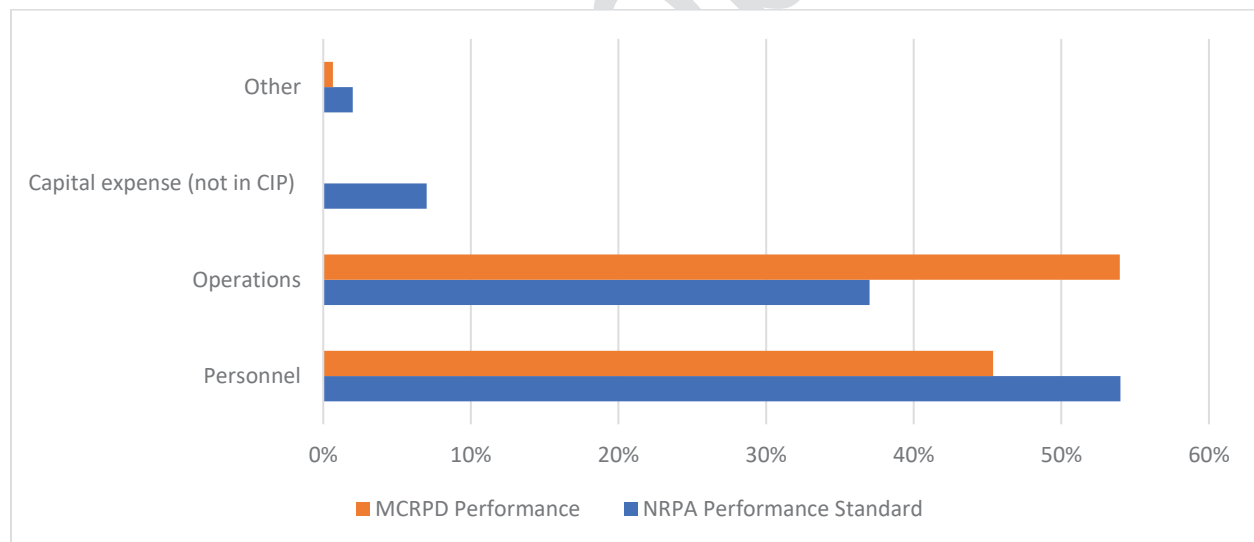
²⁵ More information about the County of Mendocino's Teeter Plan may be found here: <https://www.mendocinocounty.gov/departments/auditor-controller/property-tax-information/property-tax-process>

statements (JJACPA, Inc. 2025, p. 4). The increase was driven primarily by higher salaries and benefits, operating costs associated with relocation to new office space, and modest growth in marketing expenses (JJACPA, Inc. 2025, p. 4, 10). Salaries and benefits increased by \$128,000, while operating expenses rose by about \$160,000, largely reflecting moving costs, office furnishing equipment, software implementation, and related overhead for the new commercial office location (JJACPA, Inc. 2025, p. 10). Marketing expenses increased by roughly \$1,700 due to expanded outreach and program activity, while expenditures for programs, sports, and events declined by about \$12,500, \$5,500, and \$7,000, respectively, partially offsetting the overall expenditure growth (JJACPA, Inc. 2025, p. 10).

The District board adopted a formal purchasing policy and procurement procedures on March 18, 2026. MCRPD uses Columbia Bank (Formerly Umpqua Bank) for credit card services, which was approved by the board in 2024. Full-time staff have physical cards and part-time staff and board members are able to get temporary digital cards as needed.

According to the National Recreation and Parks Association (NRPA), recreation and park agencies with a population ranging from 20,000 to 49,000 on average devote 54 percent of operating expenditures to personnel services, 36 percent to operating expenses, 7 percent to capital expenses (not included in a CIP), and 2 percent to other expenses.²⁶ The District FYE 2024 budget devoted less on average to personnel and capital expenses, and more to operations (Figure 2-11).

Figure 2-11 Budget Performance Review Summary FYE 2024



Source: JJACPA, Inc. 2025.

2.4.1.2 ASSETS AND LIABILITIES

The District's assets consist of current assets, restricted assets, and capital assets. Current assets include cash and cash equivalents, accounts receivable, and prepaid insurance. Capital assets include land, surplus property, buildings and improvements, leasehold improvements, and equipment.

²⁶ The NRPA agency performance review standards may be found here: <https://www.nrpa.org/publications-research/research-papers/agency-performance-review/>

The District maintains a Real Property and Fixed Asset Policy (Policy No. 2160), adopted by the Board on July 16, 2025. The policy requires the General Manager to maintain an up-to-date inventory of all real property and assets valued over \$100. Assets with an individual value exceeding \$500 are capitalized in accordance with Generally Accepted Accounting Principles (GAAP), and the inventory is reviewed and reconciled annually.

The District's liabilities are classified as current and long-term. Current liabilities consist primarily of accounts payable to employees and vendors. Long-term liabilities represent obligations not due in the current period. While lease principal payments are reported as expenditures in governmental funds, these payments reduce long-term liabilities in the District's statement of net position.

See Table 2-13 for a summary of District assets and liabilities.

Table 2-13: MCRPD Assets and Liabilities				
	FY 21 (\$)	FY 22 (\$)	FY 23 (\$)	FY 24(\$)
Current Assets				
Cash and investments	560,637	636,095	634,780	737,799
Prepaid expenses	-	-	-	29,665
Receivable Accounts	66,263	61,235	72,512	46,101
<i>Total Current Assets</i>	626,900	697,330	707,292	813,565
Noncurrent Assets				
Land	2,519,977	2,519,977	2,519,977	2,519,977
Surplus Property ^a	1,500,000	1,500,000	-	-
Other Capital Assets	107,588	130,158	107,209	221,836
<i>Total Noncurrent Assets</i>	4,127,565	4,150,135	2,627,186	2,741,813
Total Assets	4,754,465	4,847,465	3,334,478	3,555,378
Current Liabilities				
Accounts Payable	16,727	42,387	23,485	23,939
Accrued Liabilities	19,976	19,241	4,947	24,737
Interest Payable	929,258	981,881	-	-
Due Within One Year	1,077,978	1,207,831	-	21,588
<i>Total Current Liabilities</i>	2,043,939	2,251,340	28,342	70,264
Noncurrent Liabilities				
Due After One Year	1,095,151	965,298	-	108,358
<i>Total Noncurrent Liabilities</i>	1,095,151	965,298	-	108,358
Total Liabilities	3,139,090	3,216,638	28,432	178,622
^a Highway 20 Property.				

Sources: JJACPA, Inc. 2022, pg. 14; JJACPA, Inc. 2024a, pg. 14; JJACPA, Inc. 2024b, pg. 14; and JJACPA, Inc. 2025, pg. 16.

The District's assets exceeded its liabilities by about \$3.38 million at the end of the 2024 fiscal year. In addition, the District's net investment in capital assets for its governmental activities was \$2,611,867 as of FY 2024 (JJACPA, Inc. 2025, pg. 4).

Land represents a significant portion of the District's total assets. The District owns a 47-acre site that is leased to the Mendocino Coast Botanical Gardens (JJACPA, Inc. 2025, p. 38). Approximately 12 acres, along with a 5-acre coastal access easement, were granted to the District by the California State Coastal

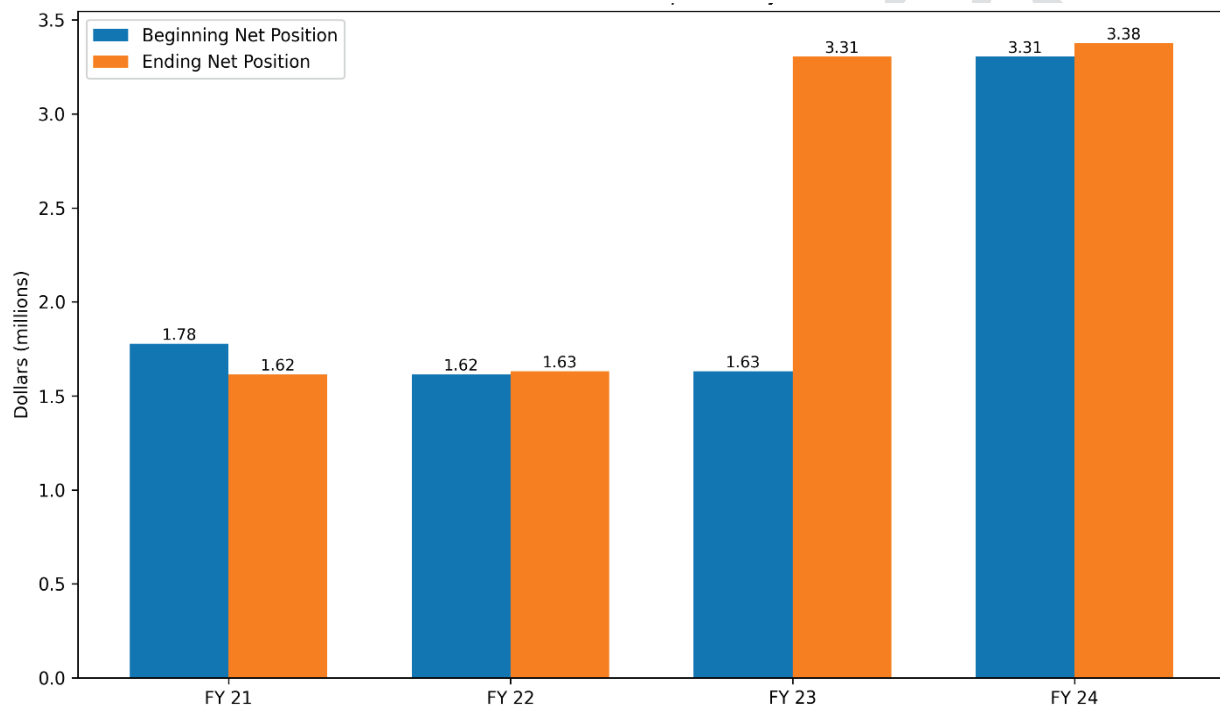
Conservancy (CSCC) in 1982. An additional 35 acres were acquired in 1990 through a subsequent CSCC grant to place the entire Botanical Gardens in public ownership.

Under the terms of these grants, the District must obtain CSCC approval to sell the property or use it as security for debt. As a result, the land cannot be leveraged to fund other capital improvements. The Mendocino Coast Botanical Gardens leases the property from the District for a rent of \$1 per year.

2.4.1.3 NET POSITION

As shown in Figure 2-12, the District has maintained a positive net position in recent years. The notable increase in net position in FY 2023 reflects the short sale of the Highway 20 property. Although the transaction resulted in an accounting gain, all proceeds were used to retire the outstanding debt associated with the property. As a result, the District did not realize a net financial gain from the sale, but did eliminate the related property loan liability (LAFCo 2025).

Figure 2-12 MRCPD Net Position Comparison by Fiscal Year



Sources: JJACPA, Inc. 2022, pg. 8; JJACPA, Inc. 2024a, pg. 8; JJACPA, Inc. 2024b, pg. 8; and JJACPA, Inc. 2025, pg. 8.

Overall, total net position increased by \$70,710 during the most recently audited fiscal year. The majority of the District's net position is attributable to its net investment in capital assets, including land, surplus property, buildings and improvements, leasehold improvements, and equipment. The District's ownership of the Mendocino Coast Botanical Gardens property has remained a stable and significant foundation of its asset base over time, despite fluctuations in other asset categories. However, state prohibitions on selling or leveraging the property negate the fiscal utility of the apparent accounting surplus.

2.4.2 Long Term Financial Considerations

2.4.2.1 RESERVES

The District adopted a formal reserve policy (Policy No. 2150) on March 20, 2024. The policy supports the District's infrastructure and programmatic goals and provides a framework to ensure that accumulated

reserves are used strategically and responsibly. Under the policy, existing unrestricted funds may be used as follows:

2150.2 Policy: Use of District reserves is limited to available “unrestricted” funds (not obligated by law, contract or agreement), including donations, interest earned, fees for service, or other non-grant earnings. All special use funds will be designated by formal action of the Board.

- a) Vehicle Fleet Reserve: Vehicle Fleet Reserves will accumulate from existing unrestricted funds, at a rate of \$10,000 annually. The maximum amount of Vehicle Fleet Reserves will be \$100,000. When the annual accumulation would increase the Reserve beyond \$100,000, only the amount required to reach the maximum will be reserved.*
- b) Technology Reserve: Technology Reserves will accumulate from existing unrestricted funds at a rate of \$5,000 annually. The maximum amount of Technology Reserves will be \$50,000. When the annual accumulation would increase the Reserve beyond \$50,000, only the amount required to reach the maximum will be reserved.*
- c) Designated Project/Special Use Reserve: Designated Project/Special Use Reserves will accumulate from existing unrestricted funds at a rate of \$10,000 annually. The maximum amount of Designated Project/Special Use Reserve will be \$250,000. When the annual accumulation would increase the Reserve beyond \$250,000, only the amount required to reach the maximum will be reserved.*
- d) Capital Improvement Reserve: Capital Improvements Reserve will accumulate from existing unrestricted funds at a rate of \$25,000 annually. The maximum amount of Capital Improvement Reserves will be \$5,000,000. When the annual accumulation would increase the Reserve beyond \$5,000,000, only the amount required to reach the maximum will be reserved.*
- e) Operational Reserves: Operational reserves shall be utilized to support: Administrative operational functions, including minimal staffing levels and administrative/office expenses due to an economic event or uncertainty will be \$25,000 annually. The maximum amount of Operational Reserves from existing unrestricted funds would be \$250,000. When the annual accumulation would increase the Reserve beyond the \$250,000, only the amount required to reach the maximum will be reserved.*
- f) Total All Reserve Funds: The total amount of Reserves designated annually from all funds shall be \$75,000 with a cumulative accrual cap of \$5,650,000.*

Under the policy, the District General Manager, in coordination with the Finance Committee, conducts an annual reserve status analysis and presents the results to the Board.

As of June 2025, reserve funds totaled \$471,535.

2.4.2.2 RATE RESTRUCTURING

While rate setting is typical for utilities, fixed fees are less appropriate for dynamic recreational services. Accordingly, MCRPD regularly evaluates labor, direct, administrative, and promotional costs when establishing program fees. The District’s operational objective is to achieve enterprise-level cost recovery, including overhead. Fees are reviewed both before programs are launched and after they are completed, and ongoing program fees are updated prior to the start of new sessions (LAFCo 2025).

2.4.2.3 OUTSTANDING DEBT/COST AVOIDANCE

The District's outstanding debt is limited to leasing obligations for facility space. On January 1, 2025, the District entered into a five-year lease for a commercial building located at 100 N. Main Street, Fort Bragg, California, to serve as its main administrative office and gymnastics program facility. The lease term extends through January 1, 2030. Monthly rent is \$3,938 for the first 12 months and increases by 2.5 percent annually thereafter (JJACPA, Inc. 2025, p. 39). Because this MSR analysis covers fiscal years ending June 30, 2021 through June 30, 2024, these lease payments are not reflected in the expenditure data presented.

As previously noted, the District completed the short sale of the Highway 20 property in March 2023. Resolving the related loan default and transferring ownership and operation of the C.V. Starr Aquatic Center to the City of Fort Bragg enabled the District to address administrative and accounting deficiencies and refocus its priorities on delivering services aligned with community needs and financial capacity throughout its service area.

The District also maintains fiscal discipline through regular review and discussion of budget expenditures at its monthly Board meetings.

2.4.2.4 CAPITAL IMPROVEMENT PLAN

A Capital Improvement Plan (CIP) is a multi-year planning tool used to guide budgeting and decision-making for major capital projects in alignment with an organization's strategic goals. The District does not currently maintain a formal CIP; however, it has adopted a reserve policy that establishes a framework for future capital investment (Section 2.4.2.1).

Under the District's reserve policy, a Capital Improvements Reserve is funded from existing unrestricted resources at a target rate of \$25,000 annually, with a maximum reserve cap of \$5 million. Once the target is achieved, annual contributions are limited to the amount necessary to maintain the maximum balance. As of FYE 2024, the District's reserve balance was approximately \$2.6 million.

The District has indicated that future capital investments would support existing and expanded recreation programs. Conducting a comprehensive needs assessment would assist in identifying and evaluating potential capital projects. The District currently relies on annual planning sessions to identify capital improvement needs, assess alignment with program goals, and prioritize projects based on urgency and available funding. Development of a comprehensive CIP would strengthen long-term planning by systematically identifying and prioritizing infrastructure and facility needs and aligning project implementation with reserve accumulation and the District's capacity to operate and maintain new facilities.

In addition, the District adopted an Investment of District Funds Policy (Policy No. 2130)²⁷ in December 2023. This policy authorizes the Board and the elected Treasurer to invest surplus funds in a manner that prioritizes safety and liquidity while seeking the highest reasonable return and complying with all applicable statutes. The Treasurer is required to prepare and present an annual investment policy statement for Board consideration at a public meeting. Invested funds are reported in the District's annual

²⁷ The MCRPD Investment of District Funds Policy may be found here: <https://www.mendocoastrec.org/mcrpd-budget-financials#docaccess-1f2a8d2b8d12bad62f2732f7b18d484e39c9f8982b60b850ed75910b934382fd>

audited financial statements and include demand accounts, investments, the General Fund, the Local Agency Investment Fund (LAIF), the Operation and Maintenance Fund, and Enterprise Funds.

2.5 Growth

2.5.1 Present and Planned Land Use and Development

The District's boundaries extend approximately 77 miles along Mendocino County's coastal and near-coastal areas and include the unincorporated communities of Westport, Cleone, Mendocino, Albion, Comptche, Elk, Irish Beach, Manchester, Anchor Bay, and Gualala. The MCRPD service area also encompasses the incorporated coastal cities of Fort Bragg and Point Arena. Mendocino County retains land use authority over privately-owned, unincorporated lands within the District, with land use decisions governed by the County's General Plan and Zoning Regulations. Parcels within the cities of Fort Bragg and Point Arena are subject to their respective general plans and zoning ordinances.

Proposed changes to land use or development patterns in unincorporated areas require approval by the Mendocino County Board of Supervisors and may necessitate amendments to the County's General Plan and/or Zoning Regulations. Similarly, land use changes within the incorporated areas of Fort Bragg and Point Arena require approval by the respective City Council and may require amendments to their general plans and zoning ordinances.

Furthermore, much of the District lies within Mendocino County's coastal zone and is subject to regulation under the California Coastal Act, as implemented by the California Coastal Commission, Mendocino County, and the cities of Fort Bragg and Point Arena. In 2023, the Coastal Commission awarded more than \$3 million to Mendocino County and the cities of Fort Bragg and Point Arena to update their Local Coastal Programs (LCPs) to address climate change and sea-level rise. These updates are currently underway and, once completed, will help guide future development within the coastal areas of the District (Blackwell 2023).

2.5.1.1 LAND USE

Portions of the District that are located within the City of Fort Bragg are subject to the City of Fort Bragg General Plan, which was adopted in 2013. There are 19 land use designations categorized as Central Business District (CBD), Neighborhood Commercial (CN), General Commercial (CG), Highway Visitor Commercial (CH), Office Commercial (CO), Suburban Residential (RS), Low Density Residential (RL), Medium Density Residential (RM), High Density Residential (RH), Very High Density Residential (RVH), Heavy Industrial (IH), Light Industrial (IL), Timber Resources Industrial (IT), Parks and Recreation (PR), Open Space (OS), Harbor District (HD), Public Facilities and Services (PF), Scenic Corridor, and Coastal Zone (City of Fort Bragg 2016). The city's LCP was first established in 1983 and last updated in 2008 and applies to the city's coastal zone, which lies west of Highway 1 and along the Noyo River (City of Fort Bragg 2025b).

Portions of the District that are located within the City of Point Arena are subject to the City of Point Arena General Plan and Local Coastal Program. Land use designations include Agriculture Exclusive (AE), Commercial Core (C), Highway Commercial (HWC), Harbor Commercial (HC), Industrial (I), Park (P), Public Facility, Residential Agriculture (RA2,) Urban Residential (UR), Suburban Residential (SR), and Multi-Family Residential (MR) (City of Point Arena 2006). Point Arena's LCP was established in 1981 and last updated in 2006 (City of Point Arena 2025).

2.5.1.2 DEVELOPMENT

Future growth and development within the District are governed by land use regulations adopted by Mendocino County and the cities of Fort Bragg and Point Arena. These jurisdictions regulate growth

through general plans, local coastal programs, and zoning ordinances. Given the District's large geographic area, development patterns vary; however, the coastline is generally characterized by predominantly rural land uses with small cities and dispersed residential communities supported by limited, small-scale commercial activity (Jones and McCormick 2019).

The City of Fort Bragg represents the largest population and economic center within the District, with an estimated population of approximately 7,000 based on the most recent Census data. Fort Bragg is the largest city on the Mendocino Coast, with roughly one-third of its land area zoned for industrial uses. Historically, the Georgia-Pacific Corporation operated a large paper mill on the City's coastal headlands (Figure 2-13). Following the mill's closure in 2002, much of the former Georgia-Pacific property was sold to the California Western Railroad and is planned for redevelopment. To date, improvements on the site include construction of the Noyo Headlands coastal trail and new trail connections to the City's road network (Rigler Creative Staff 2018; City of Fort Bragg 2025c).

Figure 2-13 Former Mill Site in Fort Bragg



Source: Rigler Creative Staff 2018.

Although Fort Bragg has experienced little significant housing development for decades, the City approved a proposal in March 2025 for an 87-unit apartment complex located on the west side of State Highway 1, just south of the Noyo River Bridge. This project represents the largest housing development in Fort Bragg in over a century and reflects increasing state-level pressure on local jurisdictions to accommodate new housing. Aside from this project, the City growth rate is expected to remain relatively stagnant in the foreseeable future, and housing developments of this scale remain uncommon (Hartzell 2025).

The City of Point Arena has a population of approximately 460 residents according to the most recent census data (US Census Bureau 2023d). Approximately half of land within the city limits is zoned for agricultural use. Developed areas feature residential and school neighborhoods, an historic district along State Route 1 that includes restaurants, a hotel, a theater, cooperative grocery store, and local library, and a public pier, restaurants, and inns at Arena Cove (Figure 2-14).

A 90-minute drive separates Point Arena geographically from the District's larger population center and primary recreation facilities, particularly those located in and around Fort Bragg. Travel distances, limited transportation options, and rural roadway conditions create access barriers for residents seeking District-wide programs and facilities. These factors heighten the importance of locally accessible recreation opportunities within or near Point Arena to ensure equitable service delivery.

Figure 2-14 City of Point Arena Pier and Harbor



Source: Pier Place Point Arena 2025.

Beyond the incorporated cities within the District's boundaries, the unincorporated communities represent a significant portion of the MCRPD service population and present distinct service equity considerations due to their geographic dispersion, varying population densities, and seasonal visitation patterns. Gualala, one of the largest unincorporated communities, serves as a regional hub for the southern Mendocino Coast and northern Sonoma Coast. In addition to serving its resident population, Gualala experiences substantial visitor use driven by its coastal location and recreational amenities, which increases demand for parks, facilities, and programs beyond what population figures alone suggest.

Gualala's service area also functions as a bi-county community. The Sea Ranch, a privately owned residential community of approximately 2,200 homes and undeveloped lots located just south of the Gualala River in northern Sonoma County, is closely integrated with Gualala's commercial, social, and recreational life. Although The Sea Ranch lies outside the District's jurisdiction, its proximity and population contribute to recreation demand in and around Gualala, further amplifying service needs that are not fully reflected in Mendocino County population statistics. For Census reporting purposes, Gualala is included within Census Tract 111.02, which encompasses Anchor Bay, Manchester, Irish Beach, and Point Arena, with a combined population of approximately 4,966.

North of Gualala, the communities of Elk and Albion (Census Tract 110.01) have a combined population of approximately 2,026 and are characterized by small, dispersed settlements with limited local recreation infrastructure. The town of Mendocino (Census Tract 110.04), with an estimated population of 2,144, functions as a major visitor destination, resulting in seasonal surges in recreation use that place additional demands on facilities and services.

The northernmost communities within the District—Caspar, Cleone, and Westport—are located in separate Census tracts and have lower population densities and greater distances from centralized facilities. These conditions create access and service scale barriers, and underscore the importance of equitable service delivery strategies, such as geographically distributed facilities, mobile or pop-up programming, shared-use agreements, and regional recreation assets that serve multiple communities.

Overall, the distribution of population, travel distances, and visitor-driven demand across the District highlight the need for a service equity framework that accounts for both resident and non-resident use. Future recreation planning and capital investment decisions should consider geographic access, transportation constraints, seasonal demand fluctuations, market scale, and the need to balance centralized facilities with community-scaled amenities to ensure equitable access to recreation services throughout the District.

2.5.2 Existing Population

The District's service area encompasses approximately two-thirds of Mendocino County's coastline and an estimated one-quarter of the County's residents live within the District's boundaries. According to the 2023 American Community Survey (ACS) 5-Year Estimates, Mendocino County has an estimated population of 90,709 (U.S. Census Bureau 2025b). Although census tracts rarely align with district boundaries, LAFCo typically relies upon ACS data to estimate current and project population for reports.

As is often the case in Mendocino County, the District spans multiple census tracts, some of which extend beyond District boundaries, making precise population figures for the service area difficult to calculate. Two methodologies were considered for reporting the population of the District: census tracts and school districts, both datasets pull from the ACS.

Table 2-14 summarizes the 2023 population estimates by census tracts that cover the District. Particularly problematic is census tract 102 that covers the northernmost area of the District and extends inland to include the communities of Laytonville and Leggett along Highway 101 – areas well outside the District boundaries.

The total population of all the census tracts within the District boundary is approximately 30,247 based on the 2023 Census data.

Census Tract	Population	Number of Households	Location	District Service Area
102	3,057	1,411	Westport (Extends north and east of District boundary to include Laytonville and Leggett)	North
103	4,329	2,144	Region to the north and east of Fort Bragg (Includes Cleone and Inglenook)	North
104	3,116	1,688	North Fort Bragg area	North
105	4,562	2,018	Pomo Bluffs and south Fort Bragg (Noyo River/Harbor area)	North
110.03	4,001	1,722	Caspar	North
110.04	2,458	1,558	Town of Mendocino	Central
110.01	2,070	1,563	Albion and Elk	Central

Table 2-14: Population by Census Tract

Census Tract	Population	Number of Households	Location	District Service Area
112	2,790	921	Comptche and Melbourne region	Central
111.02	4,427	2,789	Point Arena, Manchester, Gualala	South
Totals	30,247	12,832		

Source: Census Reporter ACS 2023 Estimates.

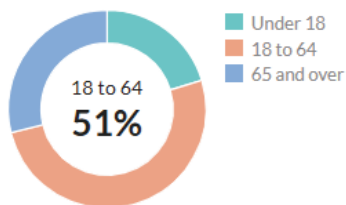
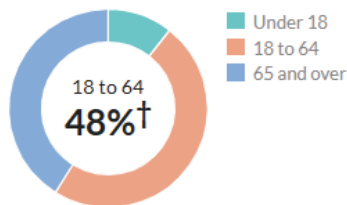
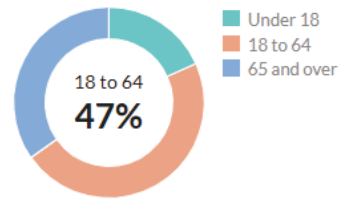
The second dataset considered in this report is from the National Center for Education Statistics, which is also based on ACS data and specific to school districts. Because the District follows the school district boundaries of FBUSD, MUSD, MUESD, and PAJUHS (see Section 2.1.3 and Figure 2-3), this methodology likely has a higher level of accuracy. Further, it is consistent with the methodology used in the 2008 MSR and SOI Study. Table 2-15 summarizes the population by District service region for both census tract and school district totals.

Table 2-15: Population by District Service Region

District Service Region	Population (By Census Tract)	Population (By School District) ^{28 29}
North (Fort Bragg Unified School District)	18,481	15,234
Central (Mendocino Unified School District)	4,190	5,683
South (Manchester Union Elementary School District, Point Arena Joint Unified School District)	7,756	7,340
Totals	30,427	28,257

Source: American Census Survey (ACS) 5-year estimates, 2023; National Center for Education Statistics, Education Demographic and Geographic Estimates, 2025.

Resident demographic profiles for the service regions, shown below, indicate that approximately half of the population falls within the 18–64 age range. Seniors represent a larger share of the population, while children constitute the smallest age group.

North Service Region**Population by age category****Central Service Region****Population by age category****South Service Region****Population by age category**

²⁸ American Census Survey (ACS) 5-year estimates, 2023. Data available online at: <https://www.census.gov/data/developers/data-sets/acs-5year.html>.

²⁹ National Center for Education Statistics, Education Demographic and Geographic Estimates, 2025. Data available at: <https://nces.ed.gov/Programs/Edge/ACSDashboard/>.

In summary, the District serves a geographically dispersed coastal population characterized by small, incorporated cities, numerous unincorporated communities, and predominantly rural development patterns. Population density varies widely across the service area, with larger population centers such as Fort Bragg and Gualala functioning as regional hubs, while smaller communities face limited local services and longer travel distances to recreation facilities. As a result, resident population figures alone do not fully capture recreation demand across the District.

Tourism and recreation activity further influence service demand throughout the year. Visitor use associated with coastal access, trails, beaches, and special events creates seasonal population fluctuations that increase use of parks, programs, and facilities—particularly in Fort Bragg, Mendocino, Gualala, and Point Arena. Demand is also shaped by the presence of state park facilities within and adjacent to the District, which attract regional and statewide visitors and place additional pressure on local infrastructure and community amenities. Together, these resident, visitor, and state park–related demands underscore the need for coordinated, equity-based recreation planning that accounts for both District-managed and state-managed recreation resources.

2.5.3 Projected Growth

Population projections prepared by the California Department of Finance (DOF) were updated in April 2025 and indicate modest long-term growth for Mendocino County. The County’s total population is projected to increase by approximately 1.6 percent over the next decade, from 89,381 in 2025 to 91,291 in 2035, and to reach 93,882 by 2045 (DOF 2025a).

City-level population projections are not publicly available; however, DOF population estimates provide insight into recent trends for the cities of Fort Bragg and Point Arena. Fort Bragg’s population increased by 6.7 percent between 2000 and 2010, rising from 6,814 to 7,273 residents (DOF 2012). By the 2020 Decennial Census, the population had declined slightly to 7,062, indicating relatively stable population levels since 2010 (DOF 2025b). More recent DOF estimates show a 2.1 percent increase between 2023 and 2024, from 7,042 to 7,194 residents; however, overall population change in Fort Bragg over the past decade has remained minimal (DOF 2025c).

The population of Point Arena has remained relatively stable over the past two decades, generally ranging between 444 and 460 residents. The City experienced a modest decline from 472 residents in 2000 to 449 in 2010, followed by a comparable increase to 460 residents by the 2020 Census (DOF 2012; DOF 2025b). Although a slight increase was recorded between 2024 and 2025, from 445 to 452 residents, long-term trends indicate a generally stable to gradually declining population. Table 2-16 summarizes DOF population estimates for Point Arena and Fort Bragg from 2021 through 2025.

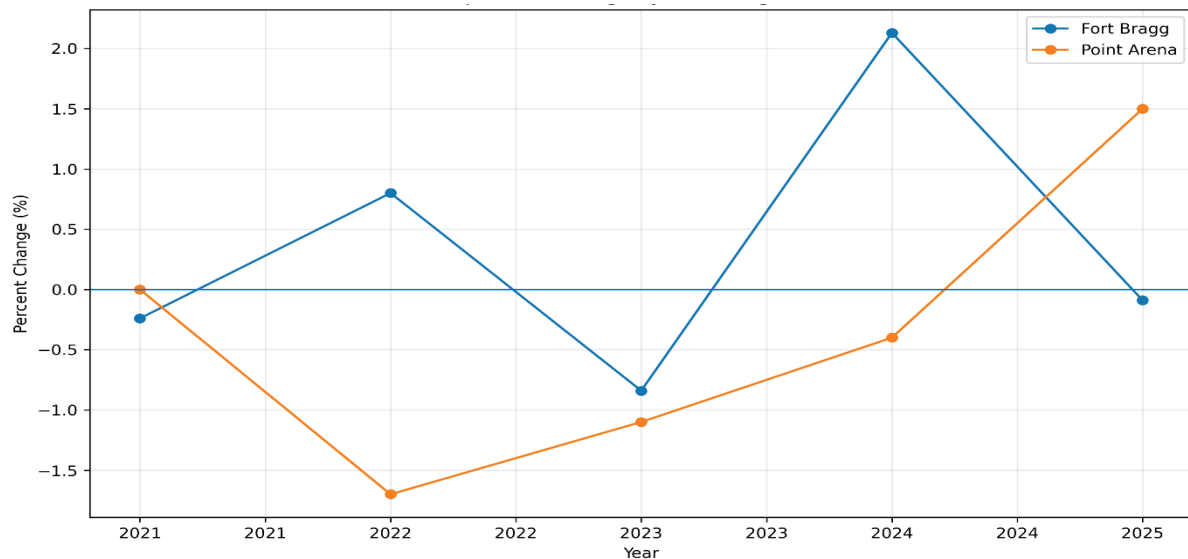
Table 2-16: DOF Estimates for Cities of Fort Bragg and Point Arena						
City	2020	2021	2022	2023	2024	2025
Fort Bragg	7,062	7,045	7,102	7,042	7,194	7,187
<i>Percent Change</i>	--	-0.24	+0.80	-0.84	+2.13	-0.09
Point Arena	460	460	452	447	445	452
<i>Percent Change</i>	--	0.0	-1.7	-1.1	-0.4	+1.5

Source: DOF 2025c.

Both cities have experienced minor fluctuations in population over the last five years, but the overall general trend is one that shows very little to slight negative population growth. Consequently, the District

anticipates nominal change in these residential population centers within the near-term (five years) and long-term (20 years) planning horizons.

Figure 2-15 Population Fluctuation by Percent, 2021-2025



Source: DOF 2025c.

Given the predominantly rural character of the District's coastal and near-coastal service area and existing land use controls in the coastal zone, only modest population change is anticipated within the District over the next decade. Recent countywide forecasts show Mendocino County's total population growing slowly and then flattening or declining, with relatively limited net growth projected for coastal communities compared to inland areas. Although Mendocino County is projected to experience a 1.6 percent population increase over the next decade, this growth reflects countywide trends and is unlikely to translate into substantial change within the District's service area, which has historically experienced low rates of coastal development.

2.6 Disadvantaged Unincorporated Communities

Senate Bill 244 (SB 244), effective January 2012, requires LAFCo to evaluate disadvantaged unincorporated communities (DUCs) when preparing MSRs for agencies that provide water, wastewater, or structural fire protection services. The intent of the legislation is to ensure that the needs of these communities are considered when evaluating service extensions, annexations, or changes in service delivery in unincorporated areas.

A DUC is defined as an unincorporated geographic area with 12 or more registered voters and a median household income (MHI) that is less than 80 percent of the statewide MHI. Based on the 2023 American Community Survey (ACS) 1-Year Estimates, California's statewide MHI was \$95,521, resulting in a DUC threshold of \$76,416. Areas with an MHI below 60 percent of the statewide MHI (\$57,312) are classified as severely disadvantaged unincorporated communities (SDUCs).

While DUCs are evaluated in the context of environmental justice, land use planning, and service delivery, the sole statutory criterion for determining disadvantaged status is MHI. Publicly available MHI data is reported at the census block group level, which can present challenges in rural areas. Block groups are often geographically large, may include both incorporated and unincorporated areas, and do not

necessarily align with commonly recognized community boundaries. As a result, a block group identified as disadvantaged may contain areas with widely varying income levels, particularly in rural coastal settings.

In Mendocino County, identifying and mapping DUCs is especially complex due to the rural character of the region and the mismatch between census geographies and locally understood community boundaries. Although some jurisdictions use census-designated places (CDPs) to help delineate DUCs, income thresholds and registered voter counts can fluctuate over time, resulting in changes to a community's disadvantaged status. SB 244 outlines general characteristics of DUCs, including that they:

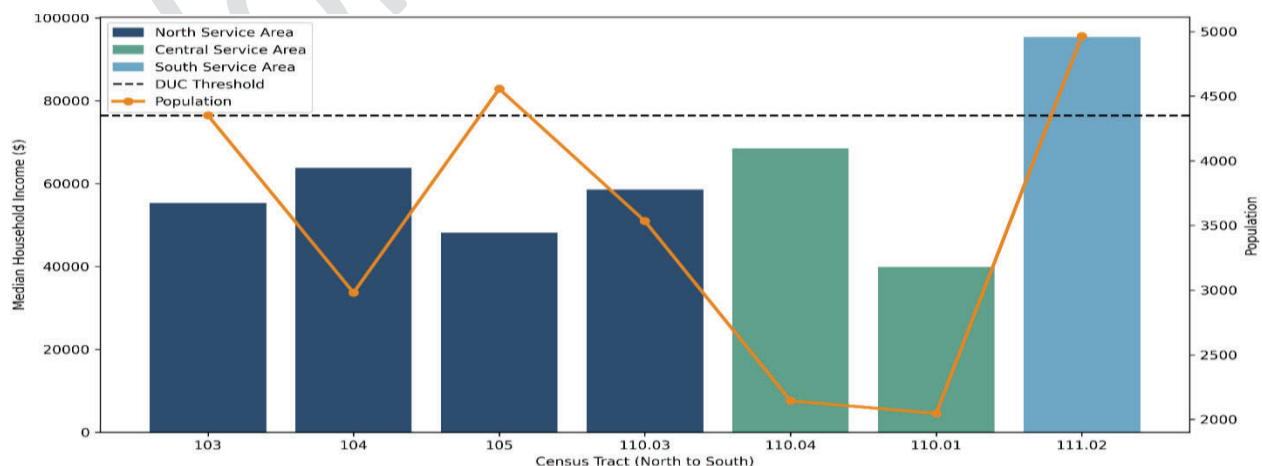
- Contain 10 or more dwelling units in close proximity;
- Are within a city's sphere of influence, are an unincorporated island within a city, or are geographically isolated and have existed for more than 50 years; and
- Have an MHI at or below 80 percent of the statewide MHI.

This analysis follows recommendations from the California Association of Local Agency Formation Commissions (CALAFCO) and relies on ACS 5-Year Estimates (2019–2023) and the 2023 ACS 1-Year Estimates.

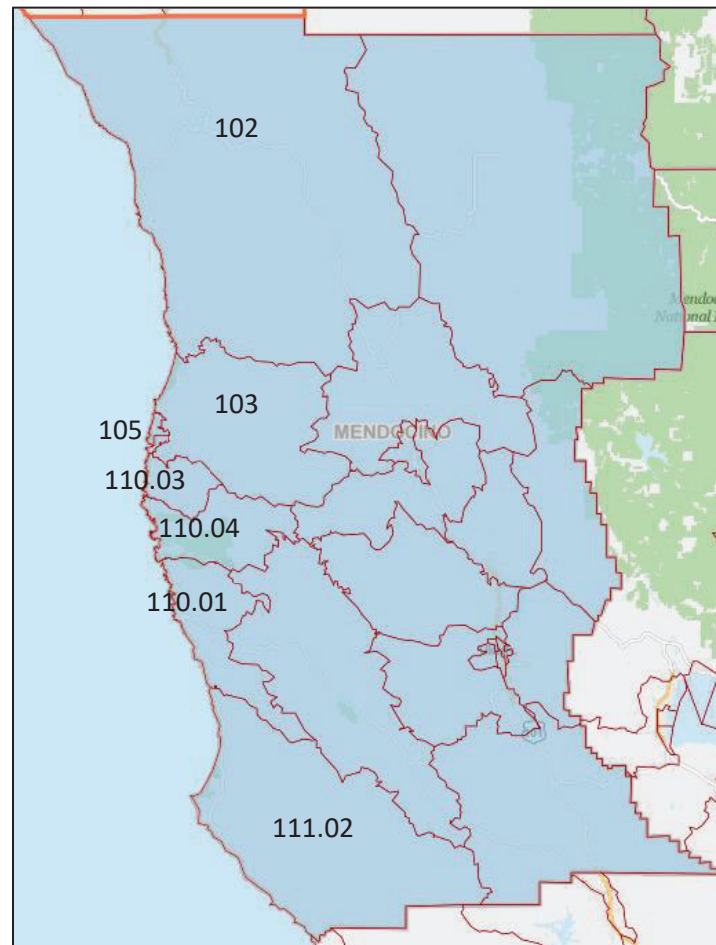
According to the most recent ACS data, Mendocino County's median household income is \$67,454, placing much of the County below the statewide DUC threshold. As the MCRPD service area spans all of the County's populated coastline and consists largely of unincorporated territory, the District meets the criteria for a DUC under this analysis. The City of Fort Bragg also falls below the statewide MHI threshold for disadvantaged status. It is noted, however, that some coastal communities include a high proportion of second homes, which may affect how disadvantaged status is interpreted at the local level.

The analysis of DUCs within the District relies on the use of census tract data. Due to the broad geographic boundaries and limited level of detail of census tracts, this analysis provides only high-level overview. A review of census tracts partially or wholly within the District boundary shows that all but one have MHIs below the statewide DUC threshold of \$76,416 (Figure 2-16 and Figure 2-17). Census Tract 111.02, located in the southernmost portion of the District, is the only tract with an MHI above the threshold and is approximately \$20,000 to \$40,000 higher than other areas within the District.

Figure 2-16 Median Household Income and Population by Census Tract and Service Region



Data sourced from Census Reporter based on the ACS 2023 5-Year Estimates.

Figure 2-17 Mendocino Coast Census Tracts

Source: [US Census Bureau](#), 2026

Utilities within the District are provided through a combination of public agencies, special districts, private companies, and individual well and septic systems. Due to the District's large geographic area, fire protection services are delivered by multiple agencies, including the Westport Volunteer Fire Company, Fort Bragg Rural Fire Protection District, Fort Bragg Fire Department, Mendocino Fire Protection District, Albion–Little River Fire Protection District, Comptche Community Services District, Elk Community Services District, Redwood Coast Fire Protection District, and South Coast Fire Protection District.

While much of the District relies on private wells and septic systems, several water and wastewater service providers operate within more densely developed communities and the two incorporated cities. Water and sewer service providers within the District include Westport County Water District, Mendocino County Waterworks District No. 2, Irish Beach Water District, Elk County Water District, Pacific Reefs Water District, Caspar South Water District, Mendocino City Community Services District, and Gualala Community Services District.

Despite large areas of the District meeting the definition of DUCs under this methodology, the municipal services of water, wastewater, and fire protection services are provided by other agencies and private landowners. However, special consideration will be given to any localized DUCs affected by future reorganization proposals consistent with GOV §56375(8)(A) and LAFCo Policy. These provisions require

evaluation of the potential effects of proposed boundary changes or service extensions on such communities, with particular attention to the availability and adequacy of essential services and opportunities to improve service access.

Workshop Draft

3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is an analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the Sphere of Influence (SOI) Update process and assist the Local Agency Formation Commission (LAFCo) in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.3.

3.1 Service Overview

This is the second MSR prepared for the Mendocino Coast Recreation and Park District (MCRPD/District). The first District MSR was adopted on March 14, 2008.

3.1.1 Services

The MCRPD is an independent special district that provides a wide range of recreational, park, and related facilities and programs serving the unincorporated coastal areas of Mendocino County and the incorporated cities of Fort Bragg and Point Arena. District services are delivered throughout the region at leased commercial buildings in Fort Bragg, at various school district sites, and at other locations as appropriate.

For purposes of this MSR, service regions, as described in Section 2.1.3, are used to analyze the geographic distribution of MCRPD programs across its extensive service territory.

3.1.2 Outside Agency Services

It is recognized that customers of recreation and park districts often come from outside district boundaries, as programs and facilities typically serve regional populations and are open to participants regardless of residency. MCRPD accepts all program registrants regardless of residency and does not restrict participation by individuals who reside in or visit from outside the District's boundaries (LAFCo 2025).

The provision of services outside District boundaries requires prior approval from LAFCo in accordance with Government Code Section 56133(e) and Mendocino LAFCo Policy 12.2.1. For purposes of determining whether the District provides outside agency services, the focus is on the provision of programming at locations outside the District's boundaries. LAFCo has no record of authorizing outside agency services for the MCRPD.

Until recently, the District provided recreational programming in the northern Sonoma County community of The Sea Ranch, which is located outside the District's boundaries (LAFCo 2025). For more than 25 years, the District conducted summer youth swimming lessons through annual agreements with The Sea Ranch community. Because this service has been discontinued, any future services provided within The Sea Ranch, or other location outside District jurisdictional boundaries, would require prior authorization from LAFCo.

3.2 Recreation Services

The District is undergoing a significant organizational transition following COVID-19–related closures and the termination of the operating agreement with the City of Fort Bragg for the C.V. Starr/Spath Community and Aquatic Center in February 2024. Since its establishment in 1973, the District has centered recreational programming and sited primary administrative and operational functions within Fort Bragg. The 2012 Agreement that allocated 45 percent of the District’s annual property tax revenue and the 2023-24 transfer of ownership of the C.V. Starr Center to the City of Fort Bragg marked fundamental shifts in the District’s operating model and has prompted reassessments of its long-term role, service delivery approach, program priorities, and fiscal capacity.

This transition presents both challenges and opportunities. With limited ownership of office and recreation equipment, the District has relied on reserve funds and tax revenues to reestablish the capital assets needed to support current administrative operations and recreation programming. Looking forward, District staff have identified the need for a comprehensive needs assessment and strategic planning process to guide future program development, facility use, partnerships, and capital investment decisions in a manner aligned with community needs and financial capacity (LAFCo 2025).

3.2.1 Recreational Programs

Recreational programming provided by MCRPD varies across its geographically dispersed service area. Although the District does not own or operate its own facilities, it actively develops partnerships with other providers to expand capacity, improve coordination, and enhance service delivery. The District has identified persistent capacity constraints and unmet needs that are best addressed by expanding high-demand programs and strategically targeting locations, schedules, and populations that are not adequately served by other providers (LAFCo 2025).

MCRPD defines a “customer” as an individual or family that participates in District-provided recreation services. Based on current and historical registration data, the District serves an average of approximately 880 individuals and 1,000 families (LAFCo 2025). A summary of current programs is provided in Figure 3-1 and Table 3-1. See Section 2.3.4.2 for information on facilities used for programming.

Participation peaks during the summer months of June through August, with a secondary increase in January and February associated with the basketball season (LAFCo 2025). During the remainder of the year, the District maintains steady participation through nine year-round programs, including Gymnastics, Martial Arts, Dance, Fitness, Skate Night, Skate Parties, Pickleball, Ping Pong, and Badminton.

Program expansion has been accompanied by increased participation. Following a 2023 planning session, the District opened a studio facility in Fort Bragg, introducing martial arts and dance fitness programming to the northern service area. Figure 3-1 summarizes District programming by service region.

Figure 3-1 MCRPD Recreational Programs

North	Central	South
• Fort Bragg • gymnastics • martial arts • dance fitness • youth basketball • adult co-ed softball • men's softball • co-ed adult soccer • adult volleyball • family and adult roller skating • youth tennis • adult/youth pickleball • futsal • accessible kickball • disc golf • Ping Pong • Girls' Volleyball	• Mendocino • youth and adult flag football • youth tennis • adult/youth pickleball • Badminton • Ping Pong	• Manchester • youth running club (Kids Run the Coast) • youth softball • horseshoe tournament • disc golf • Point Arena • family roller skating • adult futsal • youth basketball • flag football • cornhole tournament • Horse Shoe Tournament • Gualala • horseshoe tournament • disc golf

Source: LAFCo 2025.

Individual customer participation by District program is summarized in Table 3-1 and includes all programs currently offered by the District. The available data reflects the impacts of the COVID-19 pandemic, during which most District programming was suspended for an extended period, and subsequent recovery and service transitions associated with the City of Fort Bragg. As a result, participation levels during those years do not reflect typical operating conditions.

To support expanded programming and service delivery, the District financed a 2025 Honda Pilot in 2025. The vehicle is used to tow District trailers, transport equipment and participants throughout the service area, and support employee travel (LAFCo 2025).

Table 3-1: MCRPD Programming Participant Annual Attendance					
Program Type	Service Region	FY 21/22	FY 22/23	FY 23/24	FY 24/25
<i>Adult Programs</i>					
Softball	North (Fort Bragg)	3,000	5,100	5,100	3,000
Ales Softball Tournament	North (Fort Bragg)	1,652	348	200	200
Volleyball	North (Fort Bragg)		500	300	100
Fitness	North (Fort Bragg)	--	--	--	30
Martial Arts	North (Fort Bragg)	--	--	--	3600
Futsal	North (Fort Bragg)				300
Accessible Kickball	North (Fort Bragg) Central (Mendocino)				3,000

Table 3-1: MCRPD Programming Participant Annual Attendance					
Program Type	Service Region	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Pickleball, Ping Pong, Badminton	North (Fort Bragg)/ Central (Mendocino)	--	--	--	4,000
Disc Golf	North (Fort Bragg)/ South (Gualala, Manchester)				400
Horseshoe Tournament	South (Gualala)	--	--	--	60
Total Adult Participants		4,652	5,948	5,600	11,990
Youth Programs					
Coast Youth Basketball	North (Fort Bragg)	2,016	2,660	3,332	1,760
Gymnastics	North (Fort Bragg)	--	--	10,000	20,000
Martial Arts	North (Fort Bragg)	--	--	--	3,600
Flag Football	North (Fort Bragg)	--	--	--	390
Tennis	North (Fort Bragg) Central (Mendocino)	--	--	--	820
Flag Football	North (Fort Bragg)	--	--	40	--
Flag Football	South (Point Arena)	--	--	20	--
Flag Football	Central (Mendocino)	--	--	--	65
Sea Ranch Swim	South	--	80	100	100
Total Youth Participants		2,016	2,740	13,492	26,735
Family Programs					
Skate Night	North (Fort Bragg)	--	2,400	2,700	2,940
Family Dance	North (Fort Bragg)	--	--	--	50
Skate Night	South (Point Arena)	--	--	--	3,000
Total Family Participation		0	2,400	2,700	5,990
TOTAL PARTICIPANTS		6,668	11,088	21,792	44,715

Source: MCRPD 2026.

Table 3-2 summarizes total customer participation by service region, providing insight into how District programs are distributed across the District's geographic regions.

Table 3-2: Participant Annual Attendance by Service Region				
Service Region	FY 21/22	FY 22/23	FY 23/24	FY 24/25*
North	6,668	11,008	21,672	38,730
Central	-	-	-	2,652
South	-	80	120	3,360
*Participant registrations were not recorded by service region in some cases and service region totals are estimated.				

On average, the North service region is the District's most active service area, reflecting both its larger resident population, historic core of service locations, and the presence of the District's administrative offices. Gaps in North area programming remain, particularly in the northernmost community of Westport.

While the Central service region shows the lowest levels of programming and registrations, much of its population is concentrated in the communities of Albion, Little River, and the town of Mendocino, where proximity to Fort Bragg makes programs offered in the North region accessible to residents. The remainder of the Central region consists of small, dispersed communities that have historically had limited access to locally available MCRPD services.

In recent years, the District has made a focused effort to expand programming in the South service region. Although summer youth swim lessons had been offered for more than 20 years in The Sea Ranch, historical dominance of North region stakeholders in MCRPD governance and the long distance from the District's main office constrained broader program delivery to communities on the south coast.

With the recent transition of the C.V. Starr Center to the City of Fort Bragg, the District has shifted operations and expanded programming throughout its service area to meet the needs of communities that have been underserved in the past. Going forward, the District will continue to focus on operational efficiency and effectiveness, identify unmet recreational needs and adapt to opportunities, and develop and test recreational programs across its service area, to support long-term financial sustainability and broad access to its services.

3.2.1.1 PLANNED PROGRAMS AND FACILITIES

Each year, typically in August, the District's Board of Directors holds a planning session with District staff to evaluate existing recreation programs and identify future opportunities. The 2025 planning session focused on expanding programming in the Central and South service regions (LAFCo 2025).

The District is currently developing several new program offerings, including beach volleyball, adult flag football, cornhole, theater camp (Point Arena), aerial silks (Point Arena), disc golf (Westport), and tournament-style events. Program performance is continuously evaluated to ensure offerings align with community needs and available operational capacity (LAFCo 2025). These programs are anticipated to be implemented beginning in 2026 as funding and staff capacity allows.

Additional longer-term program concepts by service region are summarized below.

North Service Region

The City of Fort Bragg's implementation of an integrated parks and recreation department changes the delivery of recreation services in the Fort Bragg area. These changes shape the District's operations and planning.

Existing joint use agreements for City facilities may be revisited as the City's parks and recreation department continues to develop. During future adjustments in roles and responsibilities, coordination between the City and the District can help maintain continuity of customer access to recreational services and activities.

To avoid duplication, public confusion, or inefficiencies in funding and service delivery, the District should proactively assess how its programs align with those of the City. As City planning efforts advance, a coordinated comparison of services will help clarify agency roles, inform future agreements, and guide potential strategic shifts in the District's focus toward other communities within its service area.

Central Service Region

The District is actively planning for expanded programming through a joint-use and capital funding agreement with Mendocino High School. As of June 2025, the District and the Mendocino Unified School District entered into a memorandum of understanding (MOU) that enables the District to provide recreational programming for residents in and around the town of Mendocino using school facilities.

The five-year MOU authorizes District use of a range of school facilities, including tennis, pickleball, and basketball courts; gymnasiums; athletic fields; libraries; and multipurpose rooms at both the elementary/middle school and high school campuses.

South Service Region

As discussed in Section 2.3.4.4, the District has provided capital improvement funding and is actively exploring options to support the operation and maintenance of Bower Park, the only County-owned Park located within the District's South service area.

Bower Park is an extensively developed and popular semi-urban community park situated on gently sloping terrain along a ridge northeast of Gualala. The park's natural setting is a mix of native and non-native vegetation including redwood, Douglas fir, tan oak, madrone, Bishop pine, huckleberry, blackberry, French and Scotch broom. The park's central wetland feature is a constructed duck pond.

The park offers a wide range of recreational amenities, including public restrooms, tennis and pickleball courts, group picnic and barbecue areas, a basketball court, ball field, children's play areas, paved accessible nature/exercise trail, and paved parking areas. The ball field supports South Coast Little League and youth soccer programs. Age-specific playground equipment for toddlers and children was installed in 2005 with funding from a State Department of Parks and Recreation grant. The park has sufficient area for further development, such as an off-leash dog play area and enhanced picnic and exercise features, when enabled by capital funding.

On April 25, 2023, the Mendocino County Board of Supervisors approved a \$2.2 million grant agreement with the California Natural Resources Agency Department of Parks and Recreation for restoration of Bower Park, with funding effective through June 30, 2026 (LAFCo 2025). To support the County's commitment, on June 19, 2024, the MCRPD Board of Directors transferred its \$177,952 per-capita allocation from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 grant program award to Mendocino County to augment the park's restoration budget (MCRPD 2024). The park's design and program elements reflect extensive public engagement and consultation with MCRPD. The proposed master plan for current renovation and future development is shown in Figure 3-2. Construction is anticipated to be completed in 2026.

Coincident with renovation planning and design efforts, MCRPD and Mendocino County initiated discussions regarding potential joint operation and maintenance of Bower Park. To support this coordination, the District established a Bower Park Ad Hoc Committee on January 15, 2025, to monitor project progress and facilitate ongoing interagency collaboration. Both the District and the County recognize that substantive advancement toward joint operations or maintenance agreements will depend on a thorough evaluation of the District's fiscal capacity to support long-term capital facility operations and maintenance.

The District's current financial and staffing capacity is limited, and the District does not presently own or operate major recreation facilities. As a result, any future assumption of operational or maintenance responsibility for Bower Park would require evaluation of the District's fiscal capacity, staffing resources, and long-term operational obligations. Absent additional revenue sources or clearly defined partnership arrangements, full operational responsibility for the park may exceed the District's current administrative and financial capacity. Continued coordination between the District and Mendocino County, along with evaluation of partnership-based management models, will be important to determine the most appropriate governance structure for long-term operation and maintenance of Bower Park while ensuring continued public access to recreation opportunities in the South service region.

Figure 3-2: Bower Park Master Plan for Restoration and Improvement



3.2.2 Land, Facilities, and Equipment

3.2.2.1 LAND HOLDINGS AND FACILITIES

In 1982, through a grant from the California Coastal Conservancy, MCRPD acquired 12 acres of what is now the Mendocino Coast Botanical Gardens, along with a 5-acre easement providing coastal access. An additional 35 acres were purchased in 1990 through a subsequent Coastal Conservancy grant, resulting in the entire Botanical Gardens—totaling 47 acres—being placed in District ownership.

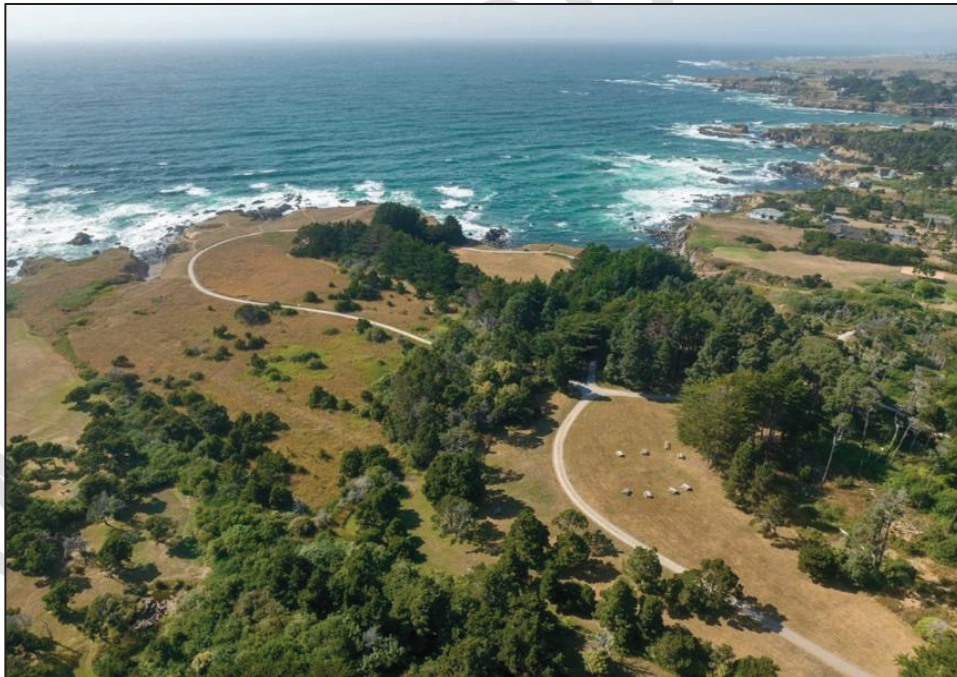
The District leases the Botanical Gardens property to the Mendocino Coast Botanical Gardens Corporation, a 501(c)(3) nonprofit organization, for \$1 per year under a 100-year lease agreement. The District does not provide programming or operational services at the site; the nonprofit is solely responsible for property improvements, maintenance, and liability.

Figure 3-3 Mendocino Coast Botanical Gardens



Source: Mendocino Coast Botanical

Figure 3-4 Aerial View of Mendocino Coast Botanical Gardens



Source: Mendocino Drone 2025.

In 2024, the District opened MCRPD Studios in Fort Bragg, expanding access to martial arts and dance fitness programming in the North service area. The District's main administrative office and gymnastics studio were relocated to a separate commercial building, improving accessibility and convenience for North region residents.

Figure 3-5: MCRPD Headquarters and Gymnastics Space



Source: MCRPD 2026.

Because the District owns few properties and no buildings, all recreational services are delivered through leases, licenses, or use agreements with other entities. As discussed in Section 2.3.4.2, the District maintains multiple agreements that enable it to provide a diverse range of recreation programs throughout its service area. Facilities currently leased or utilized by the District include the following:

- Six fields and facilities owned by the Fort Bragg Unified School District, supporting six District programs.
- One facility in Gualala, accessed through the Redwood Coast Recreation Center, supporting two programs.
- The Recreation Gym located at Fort Bragg City Hall, used for youth basketball, futsal, ping pong, and roller skating.
- The District office is housed in a leased commercial building at 100 N. Main Street and shares the space with the Gymnastics Studio.
- A leased commercial building at 579 South Franklin is used for MCRPD Studios programs, including mixed martial arts, dance and unique fitness.
- A privately owned property in Manchester (3G Familia Farms for Girls), used for softball and flag football programs.

3.2.2.2 EQUIPMENT

MCRPD owns a limited amount of operating and recreational support equipment. At the end of FY 2024-2025, recreation equipment assets include martial arts mats, gymnastics equipment, and roller skates, collectively valued at approximately \$26,000. In addition, the District owns office equipment and furniture with an estimated value of \$20,000 (LAFCo 2025). In March 2025, the District financed a 2025 Honda Pilot to support program delivery, equipment transport, and staff travel. In May 2025, the District also purchased a storage shed for approximately \$5,000, which is located at Fort Bragg High School and used for softball equipment storage.

3.2.3 Needs and Deficiencies

Since the District's 2008 MSR, the MCRPD has experienced substantial organizational change affecting nearly all aspects of District governance and operations, including:

- Constructing, opening and operating, and transferring ownership and operation of the C.V. Starr Aquatic Center to the City of Fort Bragg.
- Allocating 45 percent of total annual property tax revenue to the City of Fort Bragg for continued support of the C.V. Starr Aquatic Center.
- Purchasing, financing, capital improvement planning, defaulting, and short sale to the City of Fort Bragg the 582-acre property on State Route 20.
- Entering and emerging from Chapter 9 bankruptcy.
- Modernizing administration and compliance, recovering fiscal stability and credit rating, and reorienting operations, including administrative and operational capacity and priorities, Board composition and training, service programming and delivery, financial and accounting practices, and community outreach and branding.

Over the past three years the District has continued to reorient operational policies, evaluate its resources, improve administrative effectiveness and operational efficiency, and refine programming.

During the past two years of transition, the District has implemented services to better meet community needs throughout its territory. The District acknowledges the historic disparity of recreation services and has committed to intentionally redressing gaps in the South and Central service areas. The District has identified the need for additional personnel, facilities, equipment, and vehicles to enable more equitable delivery of recreation services across all service regions (LAFCo 2025).

3.2.3.1 SERVICE GAPS

MCRPD faces the challenge of providing affordable recreation services to diverse communities across a geographically large service area with constrained funding. While the North and Central service areas are relatively close to District facilities and programs in Fort Bragg, delivering services south of Mendocino presents additional challenges due to increased travel time and mileage, which add to operational costs.

North Service Region

The District has identified service gaps in the Westport area, which is the northernmost population center within the District. Westport is a small, unincorporated community of approximately 90 year-round residents and is located within the Fort Bragg Unified School District. Several popular public and private campgrounds are located nearby, resulting in seasonal increases in population, particularly during the summer months. Travel time and associated costs, limited personnel and facility resources, and a small year-round population present challenges to the delivery of recreational services in this area (LAFCo 2025).

Central Service Region

Within the Central service region, the small, unincorporated community of Elk has been identified as a service gap. Elk has an estimated year-round population of approximately 45 residents, which increases seasonally to roughly 100. The presence of a state beach and a historical museum attracts both year-round and seasonal visitors. Travel time and associated costs, limited personnel and facility resources, and a small resident population constrain the District's ability to deliver recreational services in this area (LAFCo 2025).

South Service Region

Historically, the District has offered minimal programming in the South service region, primarily due to priority for investment centered on Fort Bragg, distance from the main office in Fort Bragg, and absence of support facilities. The District is currently evaluating the fiscal and operational feasibility of establishing a facility in the South region for administrative functions and indoor recreational programming. A local satellite office could enhance community access and awareness while improving District engagement, effectiveness, and efficiency.

The District is also seeking partnerships to secure access to athletic field and other facilities in the south coast to expand outdoor sports programming. Other potential collaborative opportunities include jointly pursuing recreation facility grant funding with the City of Point Arena and utilizing the Arena Theater to support cultural enrichment programs. Bower Park can become the central hub of District active recreation programming, including pickleball, tennis, and basketball clinics and tournaments; fitness exercise; soccer clinics; and flag football.

3.2.3.2 FACILITIES AND PROGRAMMING

As described in Section 3.2.2.1, the District and Mendocino County are also exploring a formal partnership to ensure the long-term operation and maintenance of Bower Park, a key south coast recreational facility (LAFCo 2025).

Current funding uncertainties and ongoing financial obligations are primary constraints on the District's ability to enter into partnerships with local agencies for the operation and maintenance of recreation facilities, such as Bower Park. Although the District makes annual contributions to capital reserve funds, it lacks sufficient financial capacity to purchase or independently maintain recreation facilities. As a result, the District expects to continue relying on leased spaces and shared-use facilities for the foreseeable future. The District is actively pursuing grant opportunities to address current needs and build capacity for future service expansion (LAFCo 2025).

3.2.4 Service Adequacy

Providing consistent and equitable recreation services to small, rural communities presents ongoing challenges for the far-flung District. Communities such as Westport and Elk have very small year-round populations and experience seasonal population fluctuations driven by tourism and recreational visitation. While these areas benefit from nearby natural and cultural attractions, limited local facilities, small customer bases, and the high per-capita cost of service delivery constrain the District's ability to offer regular programming.

Geographic distance further compounds these challenges. Travel time and mileage from centralized facilities in Fort Bragg increase operational costs and reduce staff efficiency, particularly when serving communities at the northern and southern extents of the District. Limited staffing, equipment, and facility

access also restrict the feasibility of expanding services in these areas without partnerships or alternative service delivery models.

Despite these constraints, the District continues to explore opportunities to redress service gaps through strategic partnerships, targeted programming, and flexible approaches tailored to the needs of small communities and small customer groups. These challenges highlight the need to balance service equity goals with operational capacity, fiscal sustainability, and the realities of serving rural coastal communities.

The District is currently in a period of transition marked by organizational change, fiscal constraints, evolving partnerships, and realignment of service delivery priorities. The transfer of 45 percent of annual property tax revenues, ownership and operations at the C.V. Starr Center to the City of Fort Bragg, along with the City's establishment of a Parks and Recreation Department, have resulted in a shift towards a more geographically distributed, need- and partnership-based approach to serve communities throughout its territory as efficiently as possible. To navigate this transition, the District must reorient priorities and roles, realign resources, improve efficiency, and strengthen its ability to serve communities across its service area.

Given the District's geographically dispersed service area, evolving program-based service model, and varying recreation needs among communities, development of a comprehensive strategic plan or recreation master plan would assist the District in guiding long-term service planning, facility priorities, partnership opportunities, and resource allocation.

A districtwide planning process that includes robust public outreach and community participation would help identify regional recreation needs, evaluate service equity considerations, establish priorities for future programming and facilities, and strengthen coordination with local governments, schools, and community organizations. Such planning would also support informed decision-making regarding future operational, financial, and governance considerations across the District's North, Central, and South service regions.

Overall, the District provides an adequate baseline level of recreation services; however, service availability and accessibility vary by region. The North service region benefits from the highest level of programming and participation, while the Central and South service regions have historically experienced limited access due to geographic distance from governance and administrative facilities, fiscal and staffing constraints. Recent efforts to expand programming in the South service region and the District's success in growing demand for specialized programs represent positive steps toward improving equity and sustainability. Continued strategic planning, enhanced partnerships, and focused investment will be necessary to ensure that recreation services in the Central and South service regions are sufficient, accessible, and responsive to community needs over the long term. In addition, District-led fiscal and service-area studies could provide more detailed, data-driven information to support future decisions about partnerships and targeted investments in these regions.

3.3 Determinations

Pursuant to Recreation and Park District Law ([Public Resources Code §5780-5790.17](#)),⁹ the Commission does hereby establish the functions and classes of services provided by Mendocino Coast Recreation and Park District as recreation and park services to coastal Mendocino County.

This section presents the required MSR determinations pursuant to [GC §56430\(a\)](#)³⁰ for the MCRPD.

3.3.1 MSR Review Factors

3.3.1.1 GROWTH

Growth and population projections for the affected area.

1. The District services an estimated population of 30,000 based on the most recent available estimates from the DOF and US Census Bureau. The population is dispersed across a large geographic area characterized by small communities and low-density settlement patterns. The largest population centers include Fort Bragg, Mendocino, Point Arena and Gualala, with additional residents located in smaller coastal communities such as Westport, Cleone, Caspar, Little River, Albion, Comptche, Elk, and Manchester.
2. Population projections prepared by the DOF (April 2025) indicate modest long-term growth in Mendocino County, with an increase of approximately 1.6 percent from 2025 to 2035 and continued gradual growth by 2045. Within the District's service area, population trends in Fort Bragg and Point Arena have remained relatively stable over the past two decades, with minimal net growth.
3. Based on available projections, population growth within the District's service area is expected to remain nominal over both the near-term (five-year) and long-term (20-year) planning horizons. Accordingly, increases in demand for District services are not expected to be driven by permanent population growth.
4. The District's rural coastal setting and historically low rates of development indicate that projected countywide growth is unlikely to result in substantial population redistribution or significant development-driven service demands within the District's boundaries.
5. Seasonal visitation associated with coastal access, scenic resources, and tourism contributes to periodic increases in recreation demand that are not reflected in resident population estimates. Communities such as Fort Bragg, Mendocino, Point Arena and Gualala experience seasonal fluctuations that affect use of parks, trails, and recreation facilities that may increase maintenance and service demands.
6. Recreation demand, particularly in the southern portion of the District, is also influenced by cross-jurisdictional use. The nearby community of Sea Ranch (approximately 2,200 homes and vacant lots), located in Sonoma County, is closely integrated with Gualala and south coast commercial and recreational activity. Although outside the District's boundaries and not included in population estimates, its proximity contributes to recreation use within the District's service area.
7. A substantial portion of the District's population resides in small, unincorporated coastal communities with limited local recreation infrastructure. As a result, residents in these areas may travel greater

³⁰ GC §56430(a) (2024) can be found here: [California Government Code § 56430 \(2024\) :: 2024 California Code :: U.S. Codes and Statutes :: U.S. Law :: Justia](#).

distances to access District programs and facilities, which has implications for service accessibility and equity.

3.3.1.2 DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

8. The MSR acknowledges the presence of disadvantaged unincorporated communities (DUCs) within the District's service area, based on median household income (MHI) data and geographies. The District's service area consists largely of unincorporated coastal communities with MHIs below 80 percent of the statewide threshold.
9. The District does not provide sewer, water, or structural fire protection services. Infrastructure needs related to these critical municipal services within DUCs are the responsibility of other local agencies and service providers and do not directly affect the District's capacity to provide recreation programming.
10. The District should continue to consider service equity and access when planning recreation programs, facilities, and capital investments to ensure that underserved and disadvantaged communities within its service area are reasonably served.

3.3.1.3 CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

11. MCRPD utilizes a program-based service delivery model common among districts serving rural and geographically dispersed populations. This approach emphasizes partnerships, shared-use agreements, and leased facilities rather than ownership of major infrastructure and is appropriate given the District's scale and fiscal constraints.
12. The District's reliance on partnerships and leased facilities provides nominally sufficient capacity to support existing programs; however, it also limits control over facilities and may constrain program expansion and long-term planning.
13. The District provides an adequate baseline level of recreation services overall, though service availability and accessibility vary across its geographically dispersed service regions.
14. Service levels are highest in the North service region, reflecting population concentration, historic investment priorities, and proximity to administrative resources, while the Central and South service regions experience comparatively lower service levels due to previous governance priorities, geographic dispersion, smaller population centers, travel distances, and limited local facilities.
15. Residents in the Central and South regions may travel to the North region to access services, yet travel time and costs limit equitable access for more geographically isolated communities.
16. The District has taken steps to expand programming and partnerships in recent years, particularly in the South service region, and to adjust its service model following the transition of the C.V. Starr Center ownership and operation to the City of Fort Bragg. While these efforts have improved service distribution, regional disparities remain.

17. Continued incremental expansion through partnerships, along with coordination with local agencies and community organizations, will be important to improve service access, address geographic service gaps, and support more equitable delivery of recreation services across the District.

3.3.1.4 FINANCIAL ABILITY OF AGENCY

Financial ability of agency to provide services

18. The District demonstrates adequate financial capacity to maintain current service levels. Audited financial statements for fiscal years 2021 through 2024 indicate stable revenues supported primarily by property tax allocations and program service charges, with a return to a modest positive operating position following pandemic-related service disruptions.
19. The District's financial condition has improved due to resolution of prior debt obligations, including the Highway 20 property, the transition of the C.V. Starr Community Center operations and ownership to the City of Fort Bragg, increased program cost recovery through user fees, and modernization of administrative and financial practices. These actions have reduced financial risk, although financial obligations remain due to the 2012 Agreement that shifts 45 percent of the District's annual property tax allocations to Fort Bragg for recreation services and the Center.
20. Since the 2017 and 2021 Mendocino County Grand Jury reports identifying concerns regarding financial viability, the District has taken actions to strengthen its financial condition. As a result, the District has returned to a modest positive operating position and maintains the financial ability to provide services at current levels.
21. The District's revenue structure, consisting primarily of property tax allocations supplemented by program fees, provides a stable base for core operations. Growth in program revenue reflects expanded offerings and improved cost recovery, supporting continued service delivery.
22. The District maintains positive net assets and reserve funds and has adopted financial policies, including reserve, investment, and asset management policies, that support fiscal oversight and long-term stability. Most of the District's assets consist of land holdings that cannot be leveraged for capital development due to grant restrictions.
23. While current financial resources are sufficient for existing operations, limited funding and staffing constrain the District's ability to expand facilities or services without additional revenue sources or partnerships. Continued evaluation of program pricing and cost recovery may improve financial sustainability.
24. The District's reliance on partnerships, shared-use facilities, and leased space represents a financially feasible service model given its limited revenue, capital resources and dispersed service area, and supports incremental expansion of programming.
25. Under a 2012 agreement, 45 percent of the District's property tax revenue is allocated to the City of Fort Bragg for park and recreation purposes, including the C.V. Starr Community Center. While this arrangement supports recreation needs proximate to Fort Bragg, it reduces the District's available revenue for services across its broader service area and affects long-term financial capacity. Continued coordination with the City will be important to ensure effective use of public resources.
26. Continued fiscal management, strategic planning, and periodic review of financial policies will support the District's ability to maintain service levels and respond to changing recreation needs.

3.3.1.5 SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities

27. The District collaborates with public agencies, community organizations, and private partners through formal agreements and coordination to support recreation service delivery. These partnerships are essential to providing accessible and cost-effective services.
28. The District relies primarily on shared-use, leased, or partner-operated facilities, including school fields and gymnasiums, municipal spaces, nonprofit sites, and private properties. This model provides sufficient facility access for current programs but limits control over facilities and may constrain program expansion.
29. The transfer of ownership and operation of the C.V. Starr Community Center to the City of Fort Bragg in FY 2023-24 represents a significant shift from a facility-based model to a program-based model reliant on partnerships, shared facilities, and cost recovery through user fees.
30. Existing agreements with school districts, municipalities, community organizations, and private property owners enable the District to deliver services across its dispersed service area within limited fiscal capacity. Continued coordination and expansion of these partnerships will be important to maintain and enhance programming.
31. Emerging partnerships, including joint-use agreements with Mendocino Unified School District and potential coordination with Mendocino County for Bower Park, may improve access to recreation services in underserved areas.
32. Bower Park, a regionally significant County-owned recreation facility in the South service area, is undergoing capital improvements supported by State funding and District contributions. Future District involvement in operations or maintenance will depend on its financial capacity.
33. Given limited revenue and capital resources, shared-use agreements and collaborative partnerships represent the most feasible and cost-effective approach for expanding recreation access throughout the District.
34. The City of Fort Bragg's establishment of a municipal parks and recreation department represents a change in local service delivery within the North service region. As the City's department continues to develop and expand, coordination between the City and the District will be important to clarify roles, support complementary programming, avoid unnecessary service overlap, and support continuing access to recreation programs.
35. Coordination between the District and the City of Fort Bragg and periodic evaluation of services to maintain clear and accessible recreation offerings may provide opportunities to improve efficiency through shared facility use or complementary programming.
36. Continued strategic planning, including a comprehensive recreation needs assessment and evaluation of partnership opportunities, will assist the District in identifying priority facility needs, strengthening interagency coordination, and improving equitable access to recreation opportunities across all regions.

3.3.1.6 ACCOUNTABILITY, STRUCTURE AND OPERATIONAL EFFICIENCIES

Accountability for community service needs, including governmental structure and operational efficiencies

37. Since the 2008 Municipal Service Review, the District has undergone significant organizational and operational changes. Recent efforts have focused on modernizing operations and expanding programming in response to evolving community needs and existing fiscal constraints, including improvements in governance, financial management, administrative systems, and service delivery.

38. Given the District's geographically extensive service area and distinct communities, the current at-large election structure may limit geographic representation of more remote areas of the District. Consideration of division-based Board elections pursuant to Public Resources Code 5785 may improve regional representation, support service equity objectives, and strengthen accountability to communities throughout the District's service area.
39. The District maintains a comprehensive website that provides access to meeting agendas and minutes, financial documents, bylaws and policies, and programming and events. Current board members are identified on the website along with contact emails and committee assignments. The website demonstrates transparency and accountability to its customers and the public.
40. The District serves a geographically extensive and diverse service area spanning approximately 77 miles of coastline and including both incorporated cities and dispersed rural communities. While administrative functions and many programs are concentrated in Fort Bragg and Mendocino, residents in outlying communities must travel greater distances to access services.
41. Service delivery in smaller, rural communities is constrained by geographic distance, limited facilities, and small participant bases, which increase per-capita services costs and reduce operational efficiency. This is particularly true in communities comprised mainly of second homes and that experience periodic visitor-driven recreation demand associated with coastal tourism.
42. The District relies on partnerships, leased facilities, and shared-use agreements to deliver services. Financial and staffing limitations constrain its ability to independently acquire facilities or significantly expand services without additional revenue or partnerships.
43. The 2012 transfer of 45 percent of annual property tax revenue and recent transfer of ownership and operation of the C.V. Starr Center to the City of Fort Bragg represents a significant change in the District's service model and requires thoughtful planning and community engagement, and alignment of service priorities and partnerships.
44. The establishment of a City of Fort Bragg Parks and Recreation Department changes the local governance and delivery of recreation services. Continued coordination between the City and the District will be important to clarify roles, support complementary programming, and promote efficient use of public resources.
45. The District includes two incorporated cities and numerous unincorporated communities with varying service needs. Lower-density, rural areas present service equity challenges due to dispersed populations and limited local recreation infrastructure.
46. Continued organizational assessment, strategic planning, and integration of service equity considerations into program and budget decisions will support operational efficiency, transparency, and responsiveness to community needs.

3.3.1.7 OTHER SERVICE DELIVERY MATTERS

Any other matter related to effective or efficient service delivery, as required by commission policy

47. Given the District's geographically dispersed service area and evolving program-based service model, preparation of a comprehensive strategic plan or recreation master plan would assist the District in identifying service priorities, evaluating service equity, guiding future programming and facility needs, and coordinating with partner agencies. A districtwide planning process with meaningful public outreach would enable meaningful community engagement, support long-term decision-making, and help align District resources and services with recreation needs across the North, Central and South service regions.

4 SPHERE OF INFLUENCE

The Local Agency Formation Commission (LAFCo/Commission) prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) review process. An SOI study considers whether a change to the SOI, or probable future boundary, of a local government agency is warranted to plan the logical and orderly development of that agency in a manner that supports the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) Law and the policies of the Commission.

The MSR and required determinations are presented in Chapters 2 and 3 of this document and form the basis of information and analysis for this SOI review. This chapter presents the SOI Update and required determinations pursuant to [California Government Code \(GC\) Section \(§\) 56425\(e\)](#).³¹

4.1 Mendocino LAFCo Policies

In addition to making the necessary determinations for establishing or modifying an SOI consistent with the CKH Act, the appropriateness of an agency's SOI is also based on an evaluation of consistency with local LAFCo policies. The SOI policies can be found in the Mendocino LAFCo Policies and Procedures Manual, adopted November 5, 2018, and as updated.³²

10.1.1 Legislative Authority and Intent

A sphere of influence is the probable 20-year growth boundary for a jurisdiction's physical development. The Commission shall use spheres of influence to:

- a) promote orderly growth and development within and adjacent to communities;
- b) promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
- c) guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
- d) assist property owners in anticipating the availability of public services in planning for the use of their property.

10.1.2 Definitions

The Commission incorporates the following definitions:

- a) an "establishment" refers to the initial development and determination of a sphere of influence by the Commission;
- b) an "amendment" refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency; and

³¹ GC §56425(e) (2023) can be found here: [California Government Code § 56425 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia](#).

³² The Mendocino LAFCo Policies and Procedures Manual can be found here: [Policies & Procedures - Mendocino LAFCo](#).

- c) an “update” refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.

10.1.3 Sphere Updates

In updating spheres of influence, the Commission’s general policies are as follows:

- a) The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.
- b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
- c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

10.1.4 Reduced Spheres

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency’s sphere of influence if either of the following two conditions apply:

- a) the land is outside the affected agency’s jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- b) the land is inside the affected agency’s jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

10.1.5 Zero Spheres

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

10.1.6 Service Specific Spheres

If territory within the proposed sphere boundary of a local agency does not need all the services of the agency, a “service specific” sphere of influence may be designated.

10.1.7 Agriculture and Open Space Lands

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency’s sphere of influence unless the area’s exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency’s boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency’s sphere. Exclusion of these areas from an agency’s sphere of influence indicates that detachment is appropriate.

10.1.8 Annexations Are Not Mandatory

Before territory can be annexed to a city or district, it must be within the agency's sphere of influence (G.G. §56375.5). However, territory within an agency's sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

10.1.9 Islands or Corridors

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

10.1.10 Overlapping Spheres

LAFCo encourages the reduction of overlapping spheres of influence to avoid unnecessary and inefficient duplication of services or facilities. In deciding which of two or more equally capable agencies shall include an area within its sphere of influence, LAFCo shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies. Where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

- a) Inclusion within a city's sphere
- b) Inclusion within a multi-purpose district's sphere
- c) Inclusion within a single-purpose district's sphere

Territory placed within a city's sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city's sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city's sphere. To promote efficient and coordinated planning among the county's various agencies, districts that provide the same type of service shall not have overlapping spheres.

10.1.11 Memorandum of Agreements (For City Sphere Amendments and Updates)

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in GC §56425. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

10.1.12 Areas of Interest

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest (AOI) to any local agency.

- a) An AOI is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result

in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.

- b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
- c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

4.2 Existing Sphere of Influence

The MCRPD SOI was first established by LAFCo in August of 2008, at which time the Commission established a coterminous SOI with adoption of [Resolution No 2008-04](#).³³ LAFCo's approval of the SOI included a Master Service Element and a Negative Declaration per the California Environmental Quality Act (CEQA).

4.2.1 Study Areas

Study areas are unique to a specific agency and are used to define the extent of one or more locations for SOI analysis purposes. Study areas may be created at different levels of scope and/or specificity based on the circumstances involved. The following descriptions demonstrate the array of scenarios that may be captured by a SOI study area.

- o An area with clear geographic boundaries and scope of service needs based on years of interagency collaboration or public engagement and a project ready for grant funding or implementation.
- o An area involving broader community regions or existing residential subdivisions with a large or long-term vision in need of fostering and/or establishing interagency partnerships.
- o An area in early stages of conception that is not currently geographically well-defined and generally involves one or more ideas identified by agency or community leaders needing further definition.
- o An area geographically defined by a gap between the boundaries of existing public service providers.
- o An area adjacent to an existing agency's boundary slated for development needing urban services.

Study areas can result in a proposed SOI or sphere expansion area or the designation of an AOI to earmark areas for enhanced interagency coordination or for future SOI consideration.

No study areas have been identified in or immediately surrounding MCRPD.

4.2.2 Area of Interest Designation

LAFCo's AOI Policy, per Section 10.1.12, provides for the designation or identification of unincorporated areas located near to, but outside the jurisdictional boundary and established SOI of a city or district, in which land use decisions or other governmental actions of another local agency directly or indirectly impact the subject local agency.

³³ Mendocino LAFCo Resolution No. 2008-04 can be found here: [2008-04+Resolution+MC+RPD+MSR+SOI.pdf](#).

An AOI designation serves as a compromise approach that recognizes situations involving challenging boundary or municipal service delivery considerations, or for which urbanization may be anticipated in the intermediate or long-range planning horizons. It is a tool intended to enhance communication and coordination between local agencies.

An AOI designation is most helpful when the county and city or district can reach agreement that development plans related to LAFCo designated AOI will be treated the same as if these areas were within the city or district SOI boundary, particularly regarding notification to and consideration of input from the city or district.

No AOIs have been identified for MCRPD.

4.3 Proposed Sphere of Influence

There are no proposed changes to the SOI at this time. LAFCo staff recommend the Commission affirm the existing coterminous sphere; the District concurs.

4.4 Consistency with LAFCo Policies

Mendocino LAFCo has established policies to help meet its CKH Act mandates. This section identifies potential inconsistencies between the proposed SOI and local LAFCo policies.

The proposed District SOI is consistent with Mendocino LAFCo Policies (refer to Section 4.1 for the specific SOI policies).

4.5 Determinations

In determining the Sphere of Influence (SOI) for an agency, LAFCo must consider and prepare written determinations with respect to five factors as outlined in [GC §56425\(e\)](#).³⁴ These factors are as follows:

1. The present and planned land uses in the area, including agricultural and open space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. The present and probable need for public facilities and services (including sewers, municipal and industrial water, or structural fire protection) of any disadvantaged unincorporated communities within the existing Sphere of Influence.

LAFCo staff propose no change to the existing SOI for the District and recommend the Commission approve the SOI determinations as presented below.

³⁴ GC §56425(e) (2024) can be found here: <https://law.justia.com/codes/california/code-gov/title-5/division-3/part-2/chapter-4/section-56425/>.

4.5.1 Present and Planned Land Uses in the Area, Including Agricultural and Open Space Lands

Present and planned land uses within the District's service area are predominantly rural and coastal in character, with development governed by Mendocino County and the cities of Fort Bragg and Point Arena through their respective general plans, zoning ordinances, and local coastal programs. Growth is expected to remain limited, with no substantial changes to land use patterns anticipated in the foreseeable future.

Consistent with modest population projections and historically low rates of coastal development, existing land use patterns are not expected to generate significant new demand for recreation services beyond current and incremental needs. Recreation demand will continue to be influenced more by geographic distribution, seasonal visitation, and service accessibility than by new development.

The District's program-based service model, which relies on partnerships, shared-use agreements, and leased facilities, is consistent with existing and planned land uses within the District's SOI and remains appropriate for serving a dispersed population within a predominantly rural and open space setting.

4.5.2 Present and Probable Need for Public Facilities and Services in the Area

The present and probable need for recreation and park facilities and services within the District's service area is influenced by a geographically dispersed population, modest population growth projections, seasonal and visitor-driven demand, and the availability of services provided by other agencies. While permanent population growth is expected to remain limited, demand for recreation services persists due to the District's large geographic area, rural settlement patterns, and reliance on shared-use and leased facilities.

Existing facilities and services generally meet current demand in the North service region, where population is concentrated and where historic governance priorities centered on Fort Bragg resulted in the proximate location of many recreation facilities and administrative resources. Communities in the Central and South service regions experience more limited access to recreation programming due to historic investment priorities in the Fort Bragg area, geographic distance from primary service hubs, limited locally available facilities, smaller population centers, and higher per capita service delivery costs associated with serving dispersed, rural communities. Future needs are expected to focus on improving service equity rather than accommodating large-scale growth, including expanded access to indoor and outdoor recreation facilities, mobile or flexible programming, and partnerships to support facility use in underserved areas.

Consistent with the District's financial and operational capacity, continued reliance on partnerships, shared-use agreements, and leased facilities represents an appropriate approach to meeting future service needs. Incremental expansion of services, targeted facility access, and continued coordination with local jurisdictions and community partners will be necessary to determine probable future needs in a manner consistent with fiscal sustainability and the District's operational capacity.

4.5.3 Present Capacity of Public Facilities and Adequacy of Public Services

The District currently provides recreation services primarily through partnerships, shared-use agreements, and leased facilities rather than District-owned infrastructure. This program-based model is consistent with the District's rural, geographically dispersed service area and limited revenue and capital resources.

Existing facilities and services provide an adequate baseline level of recreation programming; however, service availability and accessibility vary across the District. The North service region receives the highest concentration of programming and participation due to population concentration, historic investment priorities, and proximity to administrative and facility resources. In contrast, communities in the Central and South service regions experience limited access because of geographic distance, limited local facilities, smaller population centers, and higher per-capita service delivery costs.

The allocation of 45 percent of District property tax revenue and transition of ownership and operation of the C.V. Starr Community Center to the City of Fort Bragg represents significant changes in the District's historical service model. In response, the District has expanded partnership-based programming, redirected resources toward underserved communities throughout its broader area, and increased program cost recovery through user fees. Continued strategic planning, targeted capacity-building efforts, and coordinated use of shared-use facilities—grounded in the District's adopted budgets, facility plans, and community input—are expected to remain key tools for maintaining adequate service levels under current financial and operational conditions.

Given the District's geographically dispersed service area and evolving program-based service model, preparation of a comprehensive strategic plan or recreation master plan would assist the District in identifying service priorities, evaluating service equity, guiding future programming and facility needs, and coordinating with partner agencies. A districtwide planning process with effective public outreach would enable meaningful community input, support long-term decision-making, and help align District resources and services with recreation needs across the North, Central and South service regions.

4.5.4 Existence of Any Social or Economic Communities of Interest

The District's service area encompasses multiple social and economic communities of interest defined by shared geography, school districts, recreation use patterns, and regional travel. Residents of incorporated cities and unincorporated coastal communities rely on shared recreation facilities and programs, resulting in overlapping service use and functional community relationships across the District.

Social and economic communities of interest within the District include areas that meet the criteria for disadvantaged unincorporated communities, based on MHI levels below statewide thresholds. These communities often face geographic and economic barriers to access and rely on the District for affordable recreation opportunities. At the same time, portions of the coastal service area include a high proportion of second homes, seasonal residences and short-term rentals typically associated with more affluent populations and which also contribute to fluctuating population levels and recreation demand that is not fully reflected in permanent population statistics.

Participation in District programs is not limited by residency, and customers routinely travel across community boundaries to access services. Seasonal tourism and second-home occupancy further influence service demand and reinforce the District's role as a regional recreation provider serving interconnected coastal communities with varying socioeconomic characteristics. Given these conditions, the District's existing service area and sphere of influence appropriately reflect the relevant social and economic communities of interest, and no changes to the sphere of influence are warranted at this time based on communities of interest considerations.

4.5.5 Present and Probable Need for Public Facilities and Services of Any Disadvantaged Unincorporated Communities

Disadvantaged unincorporated communities (DUCs) are present within the District's service area, characterized by lower MHIs, rural settlement patterns, and limited access to locally available recreational facilities. The present need for recreation and park services in these communities is shaped by geographic isolation, transportation constraints, and reliance on shared or leased facilities rather than District-owned infrastructure.

While population growth within DUCs is expected to remain modest, the probable future need for public recreation facilities and services is anticipated to continue due to existing service gaps, seasonal population fluctuations, and the importance of affordable recreation opportunities. Addressing these needs will require continued reliance on partnerships, shared-use facilities, and flexible service delivery models rather than large-scale capital development.

Given the District's financial and staffing constraints, incremental service expansion, targeted programming, and interagency coordination represent appropriate and feasible approaches to meeting the present and probable needs of DUCs within the District's service area.

While the primary municipal services of water, wastewater, and fire protection services are provided by other agencies and private landowners, special consideration will be given to any localized DUCs affected by future District reorganization proposals consistent with GOV §56375(8)(A) and LAFCo Policy.

4.6 Conclusion

Based on the Municipal Service Review analysis and the determinations prepared pursuant to Government Code §56425(e), the existing SOI for the MCRPD continues to reflect the logical service boundary for recreation and park services provided by the District. The current SOI boundary is consistent with existing land use patterns, service capacity, and anticipated growth within the area.

The MSR did not identify land use changes, service deficiencies, DUCs, or other conditions that would warrant modification of the District's SOI at this time. Accordingly, the existing SOI boundary is considered appropriate and no changes are recommended.

4.7 Recommendation

Pursuant to Government Code §56425 and the MSR prepared for the Mendocino Coast Recreation and Park District, the Commission has considered the statutory SOI factors related to land use, service needs, facility capacity, communities of interest, and DUCs.

Based on the information contained in the MSR and the analysis presented in this report, it is recommended that the SOI for the Mendocino Coast Recreation and Park District remain unchanged. The District's existing SOI boundary, which is coterminous with its jurisdictional boundaries, reflects the appropriate planning boundary for recreation and park services and is adequate to accommodate anticipated growth and service needs within the planning horizon.

Figure 4-1: MCRPD Proposed Sphere of Influence and Area of Interest

Workshop Draft

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6 ACKNOWLEDGEMENTS

6.1 Report Preparation

This Municipal Service Review and Sphere of Influence update was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

Uma Hinman, Executive Officer
Jen Crump, Analyst

6.2 Agency Participation and Acknowledgements

Preparation of this Municipal Service Review and Sphere of Influence Update was made possible through the assistance and active engagement of representatives from the Mendocino Coast Recreation and Park District. District staff and board members provided operational information, documentation, and review of factual materials used in the preparation of this report.

Dave Shpak, Board Chair
Kylie Felicich, General Manager

LAFCo staff also reviewed publicly available documents, including agency budgets, financial audits, planning documents, and other relevant materials. The assistance provided by District representatives helped ensure that the information presented in this report accurately reflects current operations and service conditions.

7 APPENDICES

7.1 Appendix A – Open Government Resources

The purpose of this appendix is to provide a brief list of some educational resources for local agencies interested in learning more about the broad scope of public interest laws geared towards government transparency and accountability. This appendix is not intended to be a comprehensive reference list or to substitute legal advice from a qualified attorney. Feel free to contact the Mendocino LAFCo office at (707) 463-4470 to make suggestions of additional resources that could be added to this appendix.

The websites listed below provide information regarding the following open government laws: (1) Public Records Act (Government Code §6250 et seq.), (2) Political Reform Act – Conflict-of-Interest regulations (Government Code §81000 et seq.), (3) Ethics Principles and Training (AB 1234 and Government Code §53235), (4) Brown Act – Open Meeting regulations (Government Code §54950 et seq.), and (5) Online Compliance regulations (Section 508 of the US Rehabilitation Act and Government Code §11135).

- Refer to the State of California Attorney General website for information regarding public access to governmental information and processes at the following link: <https://oag.ca.gov/government>.
- Refer to the State of California Attorney General website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <https://oag.ca.gov/ethics>.
- The Fair Political Practices Commission (FPPC) is primarily responsible for administering and enforcing the Political Reform Act. The website for the Fair Political Practices Commission is available at the following link: <http://www.fppc.ca.gov/>.
- Refer to the California Department of Rehabilitation website for information regarding Section 508 of the US Rehabilitation Act and other laws that address digital accessibility at the following link: <http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>.
- Refer to the Institute for Local Government (ILG) website to download the Good Governance Checklist form at the following link: www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices.
- Refer to the Institute for Local Government (ILG) website to download the Ethics Law Principles for Public Servants pamphlet at the following link: www.ca-ilg.org/node/3369.
- Refer to the Institute for Local Government (ILG) website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <http://www.ca-ilg.org/ethics-education-ab-1234-training>.
- Refer to the California Special Districts Association (CSDA) website for information regarding online and website compliance webinars at the following link: <http://www.csda.net/tag/webinars/>.

7.2 Appendix B – Website Compliance Handout

Workshop Draft

California Website Compliance Checklist

Use this checklist to keep your district's website compliant with State and Federal requirements.

Public Records Act

☐ SB 929

Our district has created and maintains a website

Passed in 2018, all independent special districts must have a website that includes contact information (and all other requirements) by Jan. 2020

☐ SB 272

Our Enterprise System Catalog is posted on our website

All local agencies must publish a catalog listing all software that meets specific requirements—free tool at getstreamline.com/sb272

☐ AB 2853 (optional):

We post public records to our website

This bill allows you to refer PRA requests to your site, if the content is displayed there, potentially saving time, money, and trees

The Brown Act

☐ AB 392:

Agendas are posted to our website at least 72 hours in advance of regular meetings, 24 hours in advance of special meetings

This 2011 update to the Act, originally created in 1953, added the online posting requirement

☐ AB 2257:

A link to the most recent agenda is on our home page, and agendas are searchable, machine-readable and platform independent

Required by Jan. 2019—text-based PDFs meet this requirement, Microsoft Word docs do not

State Controller Reports

☐ Financial Transaction Report:

A link to the Controller's "By the Numbers" website is posted on our website

Report must be submitted within seven months after the close of the fiscal year—you can add the report to your site annually, but posting a link is easier

☐ Compensation Report:

A link to the Controller's PublicPay website is posted in a conspicuous location on our website

Report must be submitted by April 30 of each year—you can also add the report to your site annually, but posting a link is easier

Healthcare District Websites

☐ AB 2019:

If we're a healthcare district, we maintain a website that includes all items above, plus additional requirements

Including budget, board members, Municipal Service Review, grant policy and recipients, and audits

Open Data

☐ AB 169:

Anything posted on our website that we call "open data" meets the requirements for open data

Defined as "retrievable, downloadable, indexable, and electronically searchable; platform independent and machine readable" among other things

Section 508 ADA Compliance

☐ CA gov code 7405:

State governmental entities shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973

Requirements were updated in 2018—if you aren't sure, you can test your site for accessibility at achecker.ca



California Special Districts Association
Districts Stronger Together

csda.net



STREAMLINE
Website compliance made easy

getstreamline.com

The Brown Act: new agenda requirements

Tips for complying with AB 2257 by January, 2019

Placement:

What it says: An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda.

What that means: Add a link to the **current agenda directly to your homepage**. It cannot be in a menu item or otherwise require more than a single click to open the agenda.

Exception:

What it says: A link to the agenda management platform may be added to the home page instead of a link directly to the current agenda, if the agency uses an integrated agenda management platform that meets specified requirements, including, among others, that the current agenda is the first agenda available at the top of the integrated agenda management platform.

What that means: If you use an agenda management system, you may add a link to that system directly to your homepage (again, not in a menu item), if the format of the agenda meets the requirements below, and if the current agenda is the first at the top of the list.

Format:

What it says: [agenda must be] Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications. Platform independent and machine readable. Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

What that means: You cannot add Word Docs or scanned (image-based) PDFs of your agenda to your website—Word Docs are not platform independent (the visitor must have Word to read the file), and scanned PDFs are not searchable. Instead, **keep your agenda separate from the packet** and follow these steps:

1. From Word or other document system: Export agenda to PDF
2. Add that agenda to your website (or to your agenda management system), and include a link to that agenda on your homepage
3. Then, you can print the agenda, add it to your pile of documents for the packet, and scan that to PDF - just keep the packet separate from the agenda (only the agenda must meet AB 2257)
4. Keep the link on the homepage until the next agenda is available, then update the link

Questions? Contact sloane@getstreamline.com or dillong@csla.net



California 2024 Web Accessibility Checklist

Updated May 1, 2024. Download the latest at getstreamline.com/ada

Congratulations on your commitment to ensuring that your district's website is accessible to your entire community, including those with disabilities. This checklist will help you ensure compliance with **The Unruh Act** and **AB 434**.

Before you begin

- ☐ Perform an initial scan to check for known issues using checkmydistrict.org or another tool
- ☐ Have your website provider's contact information to report any issues

One-time actions - examples available at <https://getstreamline.com/accessibility-policy>

1. **Designate an accessibility officer** - We have designated one staff member as the accessibility officer who will be the go-to contact for accessibility issues.
2. **Approve an accessibility policy** - Our board has approved an accessibility policy that includes the level of accessibility you are adhering to, like WCAG 2.1 AA.
3. **Create and post an accessibility page** - We have created a dedicated accessibility website page to house all accessibility-related content, including the policy and plan. If we have components that are not yet compliant, we have added information about our remediation plan and timeline to get compliant.
4. **Create a process for community concerns** - We have a process in place where a community member can submit a concern via form, phone number, and/or email address.
5. **Enable closed captions on your videos** - Our videos all have closed captions, and we have a process for including closed captions in future videos. (YouTube includes this for free when enabled. [Learn how](#). It is important that a human verifies the general accuracy of the captions.)

Ongoing actions - recommended once per month

6. **Scan your website pages each month** - We have scanned every page of our website, every page has a score and list of issues to remediate. Free tools include checkmydistrict.org, Google Chrome Lighthouse (F12 will activate), and wave.webaim.org. Demand your web developer address any issues that arise.
7. **Check your attachments**. We have checked all of our attachments and we have removed or added a written a disclaimer for any third-party attachments that we are unable to remediate.
8. **Perform remediations** - We have taken action to fix issues detected by a scan/reported by our community

Other actions to consider

- **Third-party ADA audit** - larger districts should consider hiring an outside firm to conduct an audit. Manual testing by users with disabilities is the gold standard to ensure access.
- **Indemnification** - Choosing a platform or insurance that indemnifies or insures you against the risk of fines

*Remember, Streamline is only a software company, and Streamline's templates and guides are not a substitute for getting your own competent legal advice.

7.3 Appendix C – Housing Legislation Trends and Results

Mendocino County and ADUs

Mendocino County has taken several steps in recent years to facilitate the construction and operation of Accessory Dwelling Units (ADUs) as part of broader efforts to address housing needs throughout the region. These efforts include adoption of an ADU ordinance establishing development standards and permitting procedures for accessory units. In addition, the County adopted amendments to its General Plan on November 9, 2011, updating the Coastal Zoning Code component of the Local Coastal Program (LCP) to establish and revise standards governing ADU development within the Coastal Zone.

Because the City of Point Arena lies within the Mendocino County Coastal Zone, development within the City is subject to coastal-specific land use regulations and policies. Within the Coastal Zone of Mendocino County (excluding the Gualala Town Plan area), the number of permitted ADUs is limited to 500 units. Junior Accessory Dwelling Units (JADUs), typically smaller units of up to 500 square feet located within an existing residential structure, are exempt from this cap. Any modification to the established ADU would require a Local Coastal Program amendment.

Per Section (§) 20.458.040 of the Public Health and Safety Requirements in the County's Municipal Code, adequate water supply and wastewater capacity must be available to serve both the proposed new residence and any existing residences on the property. When a property is located within the service area of a public utility or service district, the property owner must obtain written authorization from the relevant service provider confirming the availability of service for the proposed ADU.

ADU development within the coastal zone is also subject to additional coastal resource protection requirements. These provisions are intended to protect environmentally sensitive habitat areas, coastal access, and other coastal resources, and can influence the feasibility and siting of accessory units. Additional development standards and restrictions application to ADUs and JADUs in the Coastal Zone are described in §20.458.045 of the County's Municipal Code.

The Larger Picture

To understand the role of ADUs within broader housing trends, housing production data reported through Mendocino County's General Plan Annual Progress Report (APR) provides useful context. The APR is prepared annually in accordance with requirements of the California Governor's Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD), and documents progress toward implementation of the Housing Element and fulfillment of Regional Housing Needs Assessment (RHNA) allocations.

The data provided in the most recent APR for Unincorporated Mendocino County (adopted June 6TH, 2023 by the Board of Supervisors) suggests that despite strict development regulations in some places, ADUs are certainly a factor in local housing development trends. Out of the 143 housing development applications received in the 2022 reporting year, 38 were for ADUs; in 2021 a total of 102 housing development applications were received, of which 35 were for ADUs. This small number of ADUs compared to single-family home applications suggests that there could continue to be some limited development of ADUs throughout the unincorporated areas of the County.

Regional Housing Needs Allocation (RHNA)

State housing law requires each region in California to plan for future housing development through the Regional Housing Needs Assessment (RHNA) process. In response to statutory requirements and direction from the California Department of Housing and Community Development (HCD), the Mendocino Council of Governments (MCOG) adopted a Regional Housing Needs Plan in 2018.

Although MCOG primarily functions as the regional transportation planning agency, it was designated by HCD as the appropriate entity to coordinate the housing allocation process for Mendocino County. Jurisdictions participating in the regional process include Mendocino County and the cities of Ukiah, Fort Bragg, Willits, and Point Arena.

The Regional Housing Needs Plan was developed through multiple iterations and incorporated consideration of several allocation factors, including population trends, employment opportunities, land availability, and development constraints. Throughout the process, participating jurisdictions provided documentation to HCD describing local development constraints affecting housing production. Water availability and water supply reliability were identified by multiple jurisdictions as significant constraints affecting housing development within the region.

The RHNA allocations adopted for Mendocino County apply to the planning period between August 15, 2019, and August 17, 2027. Since adoption of the Regional Housing Needs Plan, the County has reported incremental progress toward meeting its allocation across multiple income categories.

Table 7-1: Mendocino County RHNA Allocations

Income Level		RHNA Allocation	Projection Period - 01/01/2019-08/14/2019	2019	2020	2021	2022	Total Units to Date (All Years)	Total Remaining RHNA
Very Low	Deed Restricted	291	--	--	39	--	21	125	166
	Non-Deed Restricted		--	--	--	65	--		
Low	Deed Restricted	179	--	--	--	--	--	21	158
	Non-Deed Restricted		--	-	--	21			
Moderate	Deed Restricted	177	--	--	--	--	--	156	21
	Non-Deed Restricted		4	--	--	--	--		
Above Moderate		702	46	40	67	51	58	262	440
Total RHNA		1,349							
Total Units			50	60	149	186	119	564	785
Extremely Low-Income Units*		145			15	26	21	62	83

*Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).

(HCD, 2023)

The State continues to encourage more housing across the state including in communities located on the coast. While these coastal communities are subject to additional regulation and governing bodies (i.e. the Coastal Commission), housing mandates can affect these areas just the same as more inland communities. While there is not currently much left to develop under current regulations along the Mendocino County coastline, evolving legislation could allow for increased development potential that supports the State's housing goals.

Additional Recent State Housing Legislation

In addition to legislation promoting ADUs, the California Legislature has adopted a number of housing-related laws in recent years aimed at addressing the statewide housing affordability crisis and increasing housing production. These measures are intended to reduce regulatory barriers, increase allowable residential density, and streamline the approval process for qualifying housing developments.

- Senate Bill (SB) 9 (2021) - Authorizes property owners to subdivide an existing single-family residential lot into two parcels and construct up to two residential units on each parcel, allowing a potential maximum of four units where previously only a single-family residence was permitted. SB 9 also requires local agencies to ministerially approve qualifying projects that meet specified development and design standards, thereby limiting discretionary review.
- SB 10 (2021) - Establishes voluntary process allowing local governments to adopt ordinances increasing residential density to as many as 10 dwelling units per parcel in transit-rich areas or urban infill locations. Adoption of such ordinances is exempt from review under the California Environmental Quality Act (CEQA). SB 10 is intended to provide local jurisdictions with a tool to facilitate higher-density housing development in appropriate areas.
- SB 35 (2017) - Applies to jurisdictions that are not meeting their Regional Housing Needs Assessment (RHNA) production targets for certain income categories. SB 35 amended [California Government Code \(GC\) §65913.4](#)³⁵ to require local agencies to provide a streamlined, ministerial approval process for qualifying multifamily housing developments that meet specified affordability and labor standards. The legislation is intended to accelerate housing production by reducing discretionary review and approval timelines.

Collectively, these and similar state housing laws reflect a broader statewide policy direction toward increasing housing supply through regulatory reform, streamlined permitting processes, and expanded residential density allowances. While the practical effects of these policies may vary by jurisdiction depending on local conditions, they have the potential to influence future housing development patterns within communities throughout Mendocino County.

³⁵ GC §65913.4 (2024) can be found here: [California Code, GOV 65913.4](#).

7.4 Appendix D – District Financial Audits

Workshop Draft

MENDOCINO COAST RECREATION AND
PARK DISTRICT ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



Prepared by:

Kylie Felicich
District Manager

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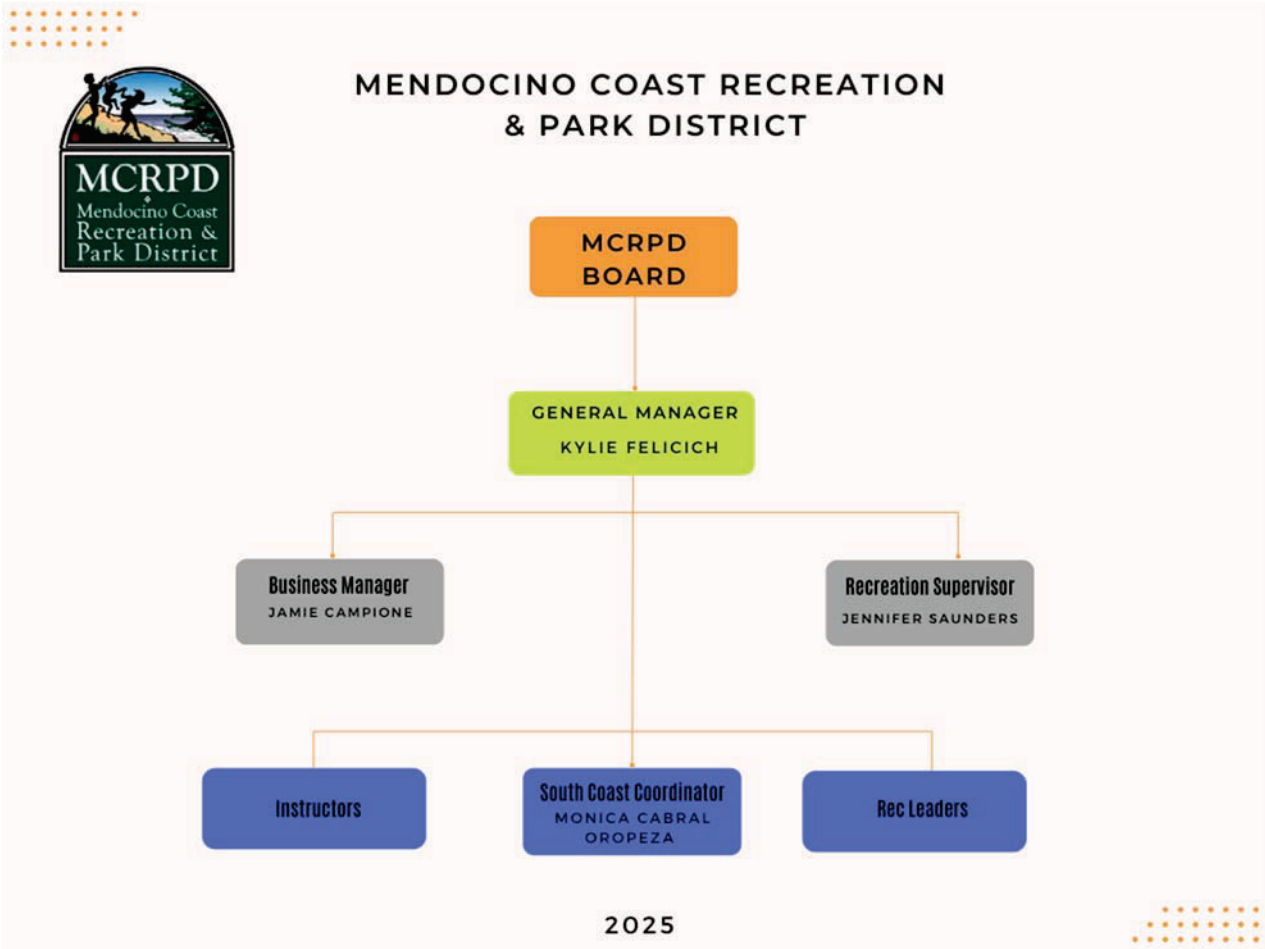
Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

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Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Organization Chart



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

List of Officials

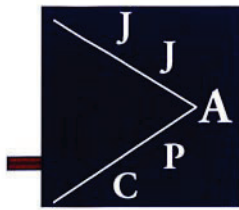
District Board

- | | |
|--------------------|------------|
| ➤ Barbara Burkey | Chair |
| ➤ Angela Dominguez | Vice Chair |
| ➤ Dave Shpak | Secretary |
| ➤ Craig Cormen | Director |
| ➤ John Huff | Director |

District Officials

- | | |
|------------------|------------------|
| ➤ Kylie Felicich | District Manager |
|------------------|------------------|

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Mendocino Coast Recreation and Park District
Fort Bragg, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Mendocino Recreation and Park District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2024, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–13 and the budgetary comparison information on page 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025 on our consideration of the District'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 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 District's internal control over financial reporting and compliance.

February 25, 2025

JJACPA, Inc.
JJACPA, INC.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis

As management for the Mendocino Coast Recreation and Park District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider this document in conjunction with the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

◆ Government-Wide – Assets, Liabilities and Net Position

- The assets of the District exceeded its liabilities by about \$3.47 million at the end of the 2024 fiscal year. The District's total net position increased by \$170,110.
- The District's net investment in capital assets for its governmental activities as of June 30, 2024 was \$2,611,867.

◆ Government-Wide – Revenues and Expenses

- The District wide revenue from property taxes increased by \$237,785 due to an increase in property values from real estate turnover in recent years.
- The programming revenue from Gymnastics increased by \$48,540 from the previous year due to one full year of gymnastics vs. only one quarter of gymnastics in the previous fiscal year.
- The District had an increase in salary and wages of \$74,556 due to an increase in program delivery which resulted in expansion of staff.
- The District had an increase of \$25,055 in equipment and supplies due to purchasing of office furniture and equipment and recreation equipment.
- The District had an increase in rent of \$55,128 as they no longer use C.V. Sarr Community Center for their offices.
- The District had an increase of \$18,122 for insurance expenses due to inflation and overall increase in insurance nationwide.
- The District experienced a decrease in professional services of \$46,413 due to a one-time expense for legal services in 2023.
- The District experienced an increase in staff reimbursements of \$24,211 due to District not having a credit card. Expenses for moving, set up and office equipment had to be purchased and reimbursed.
- The District wide expenditures from all governmental activities increased by \$107,281, compared to the 2023 fiscal year.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report has two major parts:

- 1) **Introductory section**, which includes general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements.

The Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two 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 District is improving or deteriorating.

The *statement of activities* presents information showing how the District's 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 the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the District consist of community services/recreation and services and supplies.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about the District's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

For the fiscal year ended June 30, 2024, the District has one major fund:

GOVERNMENTAL FUNDS:

- General Fund

The District maintains one individual governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for this fund.

The District adopts an annual appropriated budget for the General fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-25 of this report.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28-40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3.47M as of June 30, 2024. The Summary of Net Position as of June 30, 2024, and 2023, follows:

	Summary of Net Position		
	2024	2023	
	Govern- mental Activities	Govern- mental Activities	Change
Current and other assets	\$ 912,965	\$ 707,292	\$ 205,673
Noncurrent assets	2,741,813	2,627,186	114,627
Total assets	3,654,778	3,334,478	320,300
Current and other liabilities	70,264	28,432	41,832
Long-term liabilities	108,358	-	108,358
Total liabilities	178,622	28,432	150,190
Net position:			
Net investment in capital assets	2,611,867	2,627,186	(15,319)
Restricted	100,000	100,000	-
Unrestricted	764,289	578,860	185,429
Total net position	\$ 3,476,156	\$ 3,306,046	\$ 170,110

Overall, total net position increased by \$170,110. The majority of the net position of the District is represented by the District's net investment in its capital assets such as land, surplus property, buildings and improvements, leasehold improvements, and equipment.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2024, and 2023, follows:

	Changes in Net Position	
	2024	2023
Revenues:		
Program revenues:		
Charges for services:	\$ 133,764	\$ 129,305
General revenues:		
Property taxes	585,261	347,476
Use of money and property	13,451	-
Other general revenues	1,487	-
Gain on sale of surplus property	-	1,655,010
Total revenues	<u>733,963</u>	<u>2,131,791</u>
Expenses:		
Governmental activities:		
Salaries and benefits	255,910	127,499
Programs	8,479	21,043
Sports	2,326	7,791
Marketing	2,888	1,209
Operations	291,274	131,181
Events	2,208	7,004
Other	768	160,845
Total expenses	<u>563,853</u>	<u>456,572</u>
Excess (Deficiency) of revenues over expenditures	<u>170,110</u>	<u>1,675,219</u>
Change in net position	170,110	1,675,219
Net position:		
Beginning of year	3,306,046	1,630,827
End of year	<u>\$ 3,476,156</u>	<u>\$ 3,306,046</u>

Revenues

The District's total revenues for governmental activities were \$733,963 for the fiscal year ended June 30, 2024. Most of the District's key revenues are generated in FY 2023-2024 are from two major sources.

- 1. Charges for services** – FY 2023-2024 had an increase of \$4,459.
- 2. Property Taxes** – FY 2023-2024 Property taxes increased by \$237,785 from FY 2022-2023.

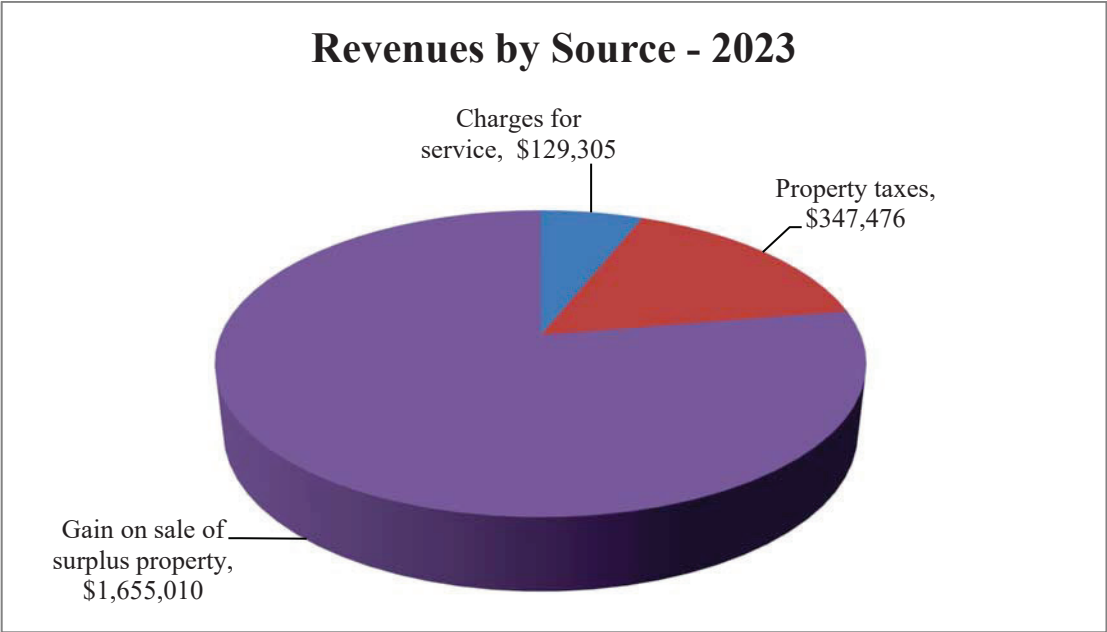
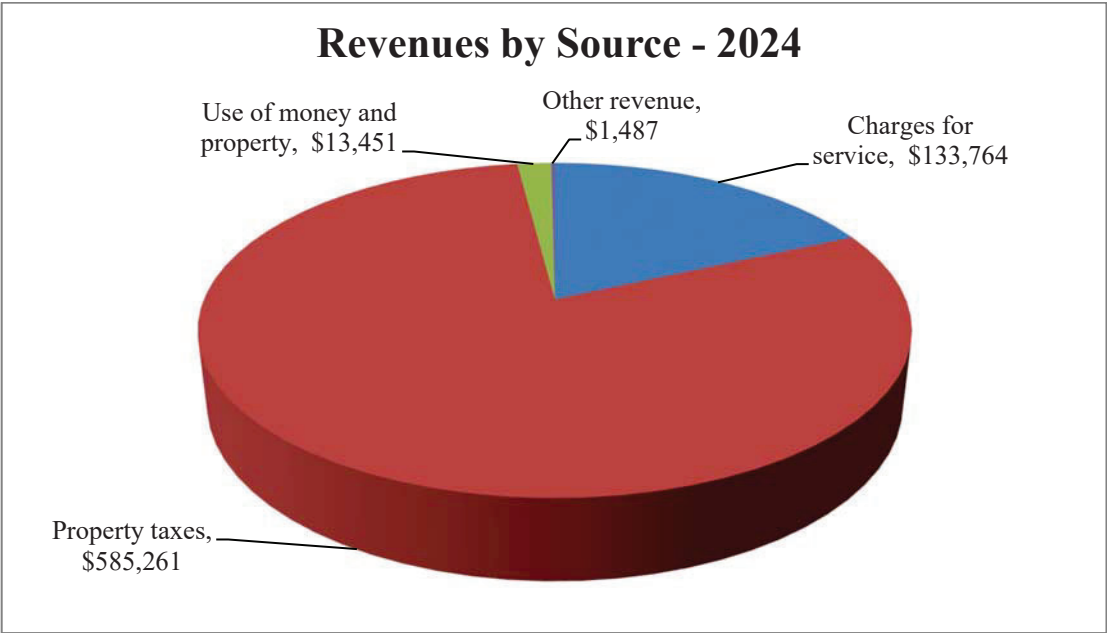
Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues, Continued

Revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Below is the breakdown of the overall expenditures:

The following table shows the cost of each of the District's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the District's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2024, and 2023, are as follows:

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Salaries and benefits	\$ 255,910	\$ (255,910)	\$ 127,499	\$ (127,499)
Programs	8,479	(8,479)	21,043	(21,043)
Sports	2,326	27,434	7,791	8,654
Marketing	2,888	(2,888)	1,209	(1,209)
Operations	291,274	(187,270)	131,181	(18,321)
Events	2,208	(2,208)	7,004	(7,004)
Other expenses	-	-	160,845	(160,845)
Interest	768	(768)	-	-
Total	<u>\$ 563,853</u>	<u>\$ (430,089)</u>	<u>\$ 456,572</u>	<u>\$ (327,267)</u>

1. **Salaries and benefits** – Shows an increase of \$128,411 due to an increase in program delivery and expansion of staff.
2. **Programs** – Shows a decrease of \$12,564 due to incurring costs at the end of 2023 that were not needed again at the beginning of 2024.
3. **Sports** – Shows a decrease of \$5,465 due to incurring costs at the end of 2023 that were not needed again at the beginning of 2024.
4. **Marketing** – Shows an increase of \$1,679 due to increase in marketing and activity.
5. **Operations** – Shows an increase of \$160,093 due to moving out of C.V. Starr, purchasing and leasing of office equipment and supplies.
6. **Events** – Shows a decrease of \$7,004 due to change in chart of accounts.

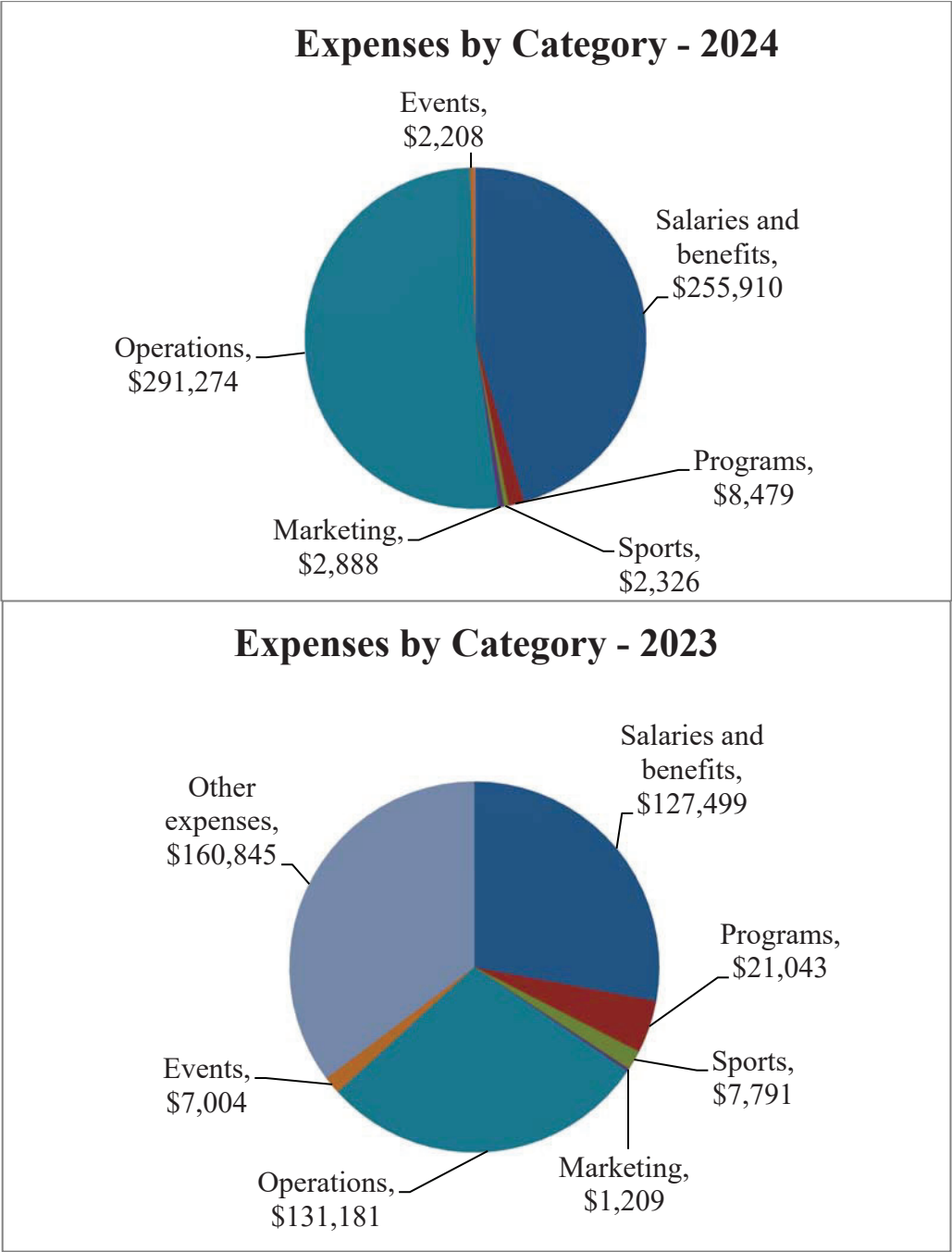
Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses, Continued

Expenses by category for the fiscal years ended June 30, 2024, and 2023, are as follows:



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government’s Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District government, reporting the District’s operations in more detail than the government-wide financial statements.

Governmental funds

The District’s governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2024, the District’s governmental funds reported combined fund balances of \$864,289.

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2024, amount to \$2,741,813. This investment in capital assets includes land, surplus property, buildings and improvements, leasehold improvements, and equipment.

	Capital Assets	
	Governmental Activities	
	2024	2023
Land	\$ 2,519,977	\$ 2,519,977
Buildings and Improvements	46,952	46,952
Leasehold improvements	489,853	489,853
Equipment	28,110	28,110
Right to use asset	131,678	-
Less: Accumulated Depreciation	(474,757)	(457,706)
Total	<u>\$ 2,741,813</u>	<u>\$ 2,627,186</u>

More detail of the capital assets and current activity can be found in the notes to the financial statements on pages 30-31 for significant accounting policies and note 3 on page 36 for other capital asset information.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

General Fund Budgetary Highlights

	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>Percentage change</u>
Revenues:			
Property taxes	\$ 407,000	\$ 340,545	19.5%
Charges for services	288,300	104,429	176.1%
Interest	25,000	-	100.0%
Total revenues	<u>\$ 720,300</u>	<u>\$ 444,974</u>	61.9%
Expenditures:			
Current:			
Salaries and benefits ¹	\$ -	\$ 318,431	-100.0%
Programs	156,800	1,500	10353.3%
Sports	-	12,950	-100.0%
Youth sports ²	16,500	-	100.0%
Adult sports ²	6,000	-	100.0%
Drop in/new activities ³	12,800	-	100.0%
Marketing	-	1,500	-100.0%
Operations	436,328	128,966	238.3%
Events	15,000	8,350	79.6%
Other expenses	6,000	16,000	-62.5%
Total expenditures	<u>\$ 649,428</u>	<u>\$ 487,697</u>	33.2%

¹ Wages & benefits are now included in their respective department/activity

² Sports expenditures are being broken down into youth and adult sports separately

³ New program/category in budget

The difference between the final budget and actual revenues differs favorably by \$288,989.

The difference between the final budget and actual expenses differs unfavorably by \$60,837.

Economic Outlook

- Per The County of Mendocino, property tax revenue for FY 2023-2024 was \$585,261.
- For FY2023-2024, the District projects operating revenue of \$133,764 collected for services. This is highly favorable compared to recent years due to the post COVID-19 pandemic halting recreation programming.
- The District's December 29, 2011 bankruptcy filing is complete. West America Bank completed the short sale of the Highway 20 property.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

Requests for Information

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. If you have any questions about this report, or need additional financial information, contact the Mendocino Coast Recreation and Park District, Finance Department P.O. Box 532, Fort Bragg, CA 95437. Our telephone number is (707) 409-0760.

BASIC FINANCIAL STATEMENTS

Mendocino Coast Recreation and Park District

Statements of Net Position

June 30, 2024

		Governmental Activities
ASSETS		
Current assets:		
Cash and investments	\$	737,799
Prepaid expenses		29,665
Receivables:		
Accounts		145,501
Total current assets		<u>912,965</u>
Noncurrent assets:		
Land		2,519,977
Other capital assets, net		221,836
Total noncurrent assets		<u>2,741,813</u>
Total assets	\$	<u><u>3,654,778</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$	23,939
Accrued liabilities		24,737
Due within one year		21,588
Total current liabilities		<u>70,264</u>
Noncurrent liabilities:		
Long-term debt:		
Due after one year		108,358
Total noncurrent liabilities		<u>108,358</u>
Total liabilities		<u>178,622</u>
NET POSITION		
Net investment in capital assets		2,611,867
Restricted		100,000
Unrestricted (Deficit)		764,289
Total net position		<u>3,476,156</u>
Total liabilities and net position	\$	<u><u>3,654,778</u></u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District

Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Governmental Activities 2024
Primary government:			
Governmental activities:			
Salaries and benefits	\$ 255,910	\$ -	\$ (255,910)
Programs	8,479	-	(8,479)
Sports	2,326	29,760	27,434
Marketing	2,888	-	(2,888)
Operations	291,274	104,004	(187,270)
Events	2,208	-	(2,208)
Interest	768	-	(768)
Total governmental activities	563,853	133,764	(430,089)
Total primary government	\$ 563,853	\$ 133,764	(430,089)
General revenues:			
Taxes:			
Property taxes			585,261
Use of money and property			13,451
Other revenues			1,487
Total general revenues			600,199
Change in net position			170,110
Net position:			
Beginning of year			3,306,046
End of year			\$ 3,476,156

The accompanying notes are an integral part of these basic financial statements.

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FUND FINANCIAL STATEMENTS

Fund	Description
General Fund	This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists of general government type activities.

Mendocino Coast Recreation and Park District

Balance Sheet

General Fund

June 30, 2024

	General Fund
ASSETS	
Cash and investments	\$ 737,799
Receivables:	
Accounts	145,501
Prepaid expenses	29,665
Total assets	\$ 912,965
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 23,939
Accrued liabilities	24,737
Total liabilities	48,676
Fund balances:	
Committed	100,000
Unassigned	764,289
Total fund balances	864,289
Total liabilities and fund balances	\$ 912,965

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances - total governmental funds	\$ 864,289
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	2,741,813
Net position of governmental activities	<u><u>\$ 3,476,156</u></u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2024

	General Fund Balance Sheet	Reclassifications	Changes in GAAP	Statement of Position
ASSETS				
Current assets:				
Cash and investments	\$ 737,799	\$ -	\$ -	\$ 737,799
Prepaid expenses	29,665	-	-	29,665
Receivables:				
Accounts	145,501	-	-	145,501
Total current assets	912,965	-	-	912,965
Noncurrent assets:				
Land	-	-	2,519,977	2,519,977
Other capital assets, net	-	-	221,836	221,836
Total noncurrent assets	-	-	2,741,813	2,741,813
Total assets	\$ 912,965	\$ -	\$ 2,741,813	\$ 3,654,778
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 23,939	\$ -	\$ -	\$ 23,939
Accrued liabilities	24,737	-	-	24,737
Due within one year	-	-	21,588	21,588
Total current liabilities	48,676	-	21,588	70,264
Noncurrent liabilities:				
Long-term liabilities:				
Due after one year	-	-	108,358	108,358
Total noncurrent liabilities	-	-	108,358	108,358
Total liabilities	48,676	-	129,946	178,622
FUND BALANCES/NET POSITION				
Fund balances:				
Restricted	100,000	(100,000)	-	-
Unassigned (Deficit)	764,289	(764,289)	-	-
Net position:				
Net investment in capital assets	-	-	2,611,867	2,611,867
Restricted	-	100,000	-	100,000
Unrestricted	-	764,289	-	764,289
Total fund balances/ net position	864,289	-	2,611,867	3,476,156
Total liabilities and net position	\$ 912,965	\$ -	\$ 2,741,813	\$ 3,654,778

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the year ended June 30, 2024

	<u>General Fund</u>
REVENUES:	
Property taxes	\$ 585,261
Charges for services:	
Enrichment	92,733
Youth sports	19,304
Special Events	8,651
Adult Sports	10,456
Drop in	2,620
Use of money and property	13,451
Other revenues	1,487
Total revenues	<u>733,963</u>
EXPENDITURES:	
Current:	
Salaries and benefits	255,910
Programs	8,479
Sports	2,326
Marketing	2,888
Operations	274,223
Events	2,208
Debt service:	
Principal	1,732
Interest	768
Total expenditures	<u>548,534</u>
REVENUES OVER (UNDER)	
EXPENDITURES	<u>185,429</u>
FUND BALANCES:	
Beginning of year	678,860
End of year	<u>\$ 864,289</u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District

Reconciliation of Fund Based Statements to Government-wide Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Fund Based Totals	Debt/ Compensated Absences	Depreciation	Capital Asset (Additions)/ Retirements	Government- wide Totals
Governmental activities:					
Salaries and benefits	\$ 255,910	\$ -	\$ -	\$ -	\$ 255,910
Programs	8,479	-	-	-	8,479
Marketing	2,888	-	-	-	2,888
Operations	274,223	-	17,051	-	291,274
Events	2,208	-	-	-	2,208
Debt service:					
Principal	1,732	(1,732)	-	-	-
Interest	768	-	-	-	768
Total governmental activities	<u>\$ 548,534</u>	<u>\$ (1,732)</u>	<u>\$ 17,051</u>	<u>\$ -</u>	<u>\$ 563,853</u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2024

Net change in fund balances - total governmental funds	\$	185,429
Amounts reported for governmental activities in the Statement of Activities are different because: Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Depreciation expense	(17,051)	(17,051)
Change in net position of governmental activities	\$	170,110

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Mendocino Coast Recreation and Park District (the "District") was formed in May of 1973 under provisions of the State of California Public Resources Code Section 5780. The District provides and coordinates recreational facilities and activities for the Mendocino County coastal areas. The reporting entity is comprised of the District as the oversight and only component unit.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting policies.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. As of June 30, 2024, the District only reports charges for services as program revenues. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Governmental Funds

The following is the District's major governmental fund:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists only of general government type activities.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity

Cash Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include accounts and intergovernmental receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as accounts receivable and intergovernmental receivables since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The District's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Inventories

The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the District has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities and business-type activities columns of the government-wide financial statements. Capital assets include land, buildings and site improvements and equipment and machinery. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Capital Assets, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

Building improvements	30 – 50 years
Leasehold improvements	15 – 30 years
Equipment	5 – 7 years

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences and a capital lease are presented as intangible assets and amortized on a straight-line basis over the life of the debt in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The District’s policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave, up to limits established by individual employee bargaining units. This debt is estimated based on historical trend analysis, the current portion of which is reported in the General Fund and the remaining balance is shown in the government-wide financial statements.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “*net investment in capital assets*.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as restricted or unrestricted as provided in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the District:

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the general fund in excess of restricted fund balance (surplus).
- Excess of restricted fund balance over total fund balance (deficit).

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues, Expenditures, and Expenses

Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities in accordance with statutory regulations.

The District receives property taxes from the County of Mendocino, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. The secured property taxes are assessed on July 1 and the lien date is January 1. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

Stewardship, Compliance, and Accountability

It is the District's policy to adopt annual budgets. The District Board may amend the budget by motion during the fiscal year. The District Administrator is authorized to transfer budgeted amounts within any single fund. However, any revisions that alter total expenditures of any fund must be approved by the District Board.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year.

Budget information is presented for governmental fund types on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget and all approved budget amendments.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Public meetings are conducted to obtain public comments. The District Board annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Stewardship, Compliance, and Accountability, Continued

3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2024, based on the calculations by District Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted appropriations for the various governmental funds become effective each July 1st.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS

The District had the following cash and investments at June 30, 2024:

	Maturities (in years)			Deposits	Fair
	< 1	1 to 2	> 2		Market Value
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value:					
Cash in bank - Checking	\$ -	\$ -	\$ -	\$ 83,466	\$ 83,466
Cash held in California CLASS	-	-	-	654,333	654,333
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,799</u>	<u>\$ 737,799</u>
Financial Statement presentation:					
Cash					\$ 737,799
Total					<u>\$ 737,799</u>

Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Custodial credit risk – deposits. For deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District's Investment Policy addresses custodial credit risk, which follows the Government Code.

At the fiscal year end, the City's carrying amount of demand deposits was \$737,799 and the bank account balance was \$762,415. The difference of \$24,616 represented outstanding checks and deposits in transit. Of the total deposit balance, \$250,000 was insured by Federal Depository Insurance Corporation (FDIC). At June 30, 2024, the District did not have any deposit accounts that exceeded federally insured limits.

Investments in Cooperative Liquid Assets Securities System

The City is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS), a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is overseen and governed by a Board of Trustees, which consists of four members who are public agency finance professionals. The fund is audited annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Adjustments/ Deletions	Balance June 30, 2024
Land	\$ 2,519,977	\$ -	\$ -	\$ 2,519,977
Buildings and improvements	46,952	-	-	46,952
Leashold improvements	489,853	-	-	489,853
Equipment	28,110	-	-	28,110
Right to use asset	-	131,678	-	131,678
Total capital assets	<u>3,084,892</u>	<u>131,678</u>	<u>-</u>	<u>3,216,570</u>
Accumulated depreciation	<u>(457,706)</u>	<u>(17,051)</u>	<u>-</u>	<u>(474,757)</u>
Net capital assets	<u>\$ 2,627,186</u>	<u>\$ 114,627</u>	<u>\$ -</u>	<u>\$ 2,741,813</u>

Depreciation expense for governmental activities was charged to the operations function for \$17,051.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2024:

	Governmental Activities
Accounts payable	\$ 23,939
Accrued payroll	24,737
Total	<u>\$ 48,676</u>

These amounts resulted in the following concentrations in payables:

Vendors 49% Employees 51%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

5. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Lease liability	\$ -	\$ 131,678	\$ (1,732)	\$ 129,946	\$ 21,588
Total	\$ -	\$ 131,678	\$ (1,732)	\$ 129,946	\$ 21,588

Lease Liability

On May 16, 2024 the District entered into a lease agreement for a building at 579 South Franklin Street to be used as a recreational facility. The District is required to make principal and interest payments through May 2029. The lease agreement has an interest rate of 7% which is the incremental borrowing rate to discount the future payments. The total amount of right to use leased asset, and the related accumulated amortization on right to use leased asset was \$131,678 and \$1,732, as of June 30, 2024, respectively.

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 21,588	\$ 8,412
2026	23,298	6,852
2027	26,691	5,109
2028	28,621	3,179
2029	29,749	1,051
	<u>\$ 129,947</u>	<u>\$ 24,603</u>

6. NET POSITION/ FUND BALANCES

Net Position

	<u>Governmental Activities</u>
Net investment in capital assets	\$ 2,611,867
Restricted:	
Aquatics	100,000
Unrestricted	764,289
Total	<u>\$ 3,476,156</u>

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

6. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Fund balances consisted of the following:

Major Fund:	
General Fund:	
Committed:	
Aquatics	\$ 100,000
Unassigned	764,289
Total	<u>\$ 864,289</u>

Committed:

Aquatics – represents amounts restricted for aquatics programs.

7. RISK MANAGEMENT

The District 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 natural disasters. The District together with other districts in the State carry California Association For Park And Recreation Insurance (CAPRI), a public entity risk pool currently operating as a common risk management and insurance program for member districts. The District pays an annual premium to CAPRI for its general insurance coverage. Furthermore the District carries workers compensation coverage with other districts in the State through CAPRI. Membership in the California Association of Recreation and Park Districts is required when applying for CAPRI.

The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums. CAPRI reinsures through commercial companies for general and automobile liability excess claims and all risk property insurance, including boiler and machinery coverage, is subject to a \$2,000 deductible occurrence payable by the District. Financial statements for CAPRI are available at the District's office for fiscal year ending June 30, 2024.

8. RELATED PARTY TRANSACTIONS

Mendocino Coast Botanical Gardens

The Mendocino Coast Botanical Garden rents a 47-acre site from the District, for \$1.00 per year. The present rental agreement was renewed on September 30, 2016 and expires in 2041. The Mendocino Botanical Garden is responsible for all up-keep, maintenance, insurance, and improvements to buildings, systems and land. There is also a provision in the agreement to maintain the site for public use.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

9. COMMITMENTS AND CONTINGENCIES

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to fulfill grant requirements, which are not reflected in the financial statements. Management believes that such commitments or contingencies will not have a material adverse effect on the financial statements.

10. SUBSEQUENT EVENTS

On January 1, 2025 the District entered into a lease agreement for a building at 100 N. Main Street, Fort Bragg, California to be used as an office and recreational facility. The lease shall be for a term of 5 years commencing on January 1, 2025 and ending on January 1, 2030. The District is required to make rent payments of \$3,938 for the first twelve months. Rent for each succeeding twelve-month period shall be increased annually by 2.5%.

11. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends 4. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences*." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

12. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 102, “*Certain Risk Disclosures*.” The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

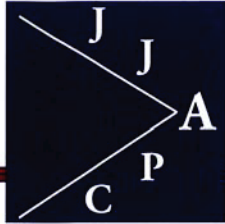
The GASB has issued Statement No. 103, “*Financial Reporting Model Improvements*.” The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

Mendocino Coast Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual - General Fund
 For the year ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance w/Final
REVENUES:				
Property taxes	\$ 340,545	\$ 340,545	\$ 585,261	\$ 244,716
Charges for services				
Enrichment	42,030	42,030	92,733	50,703
Youth sports	12,655	12,655	19,304	6,649
Special Events	21,286	21,286	8,651	(12,635)
Adult Sports	11,270	11,270	10,456	(814)
Drop in	17,188	17,188	2,620	(14,568)
Other revenues	-	-	1,487	1,487
Total revenues	<u>444,974</u>	<u>444,974</u>	<u>733,963</u>	<u>288,989</u>
EXPENDITURES:				
Current:				
Salaries and benefits	318,431	318,431	255,910	(62,521)
Programs	1,500	1,500	8,479	6,979
Sports	12,950	12,950	2,326	(10,624)
Marketing	1,500	1,500	2,888	1,388
Operations	128,966	128,966	276,723	147,757
Events	8,350	8,350	2,208	(6,142)
Other expenses	16,000	16,000	-	(16,000)
Total expenditures	<u>487,697</u>	<u>487,697</u>	<u>548,534</u>	<u>60,837</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(42,723)</u>	<u>(42,723)</u>	<u>185,429</u>	<u>228,152</u>
Net change in fund balances	<u>(42,723)</u>	<u>(42,723)</u>	<u>185,429</u>	<u>228,152</u>
FUND BALANCES (DEFICIT):				
Beginning of year	<u>678,860</u>	<u>678,860</u>	<u>678,860</u>	<u>-</u>
End of year	<u>\$ 636,137</u>	<u>\$ 636,137</u>	<u>\$ 864,289</u>	<u>\$ 228,152</u>

The accompanying notes are an integral part of these basic financial statements.



JJACPA, Inc.

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**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**

Independent Auditor's Report

To the Board of Directors of the
Mendocino Coast Recreation and Park District
Fort Bragg, California

We have audited, in accordance with the 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, each major fund, and the budgetary comparison information of Mendocino Coast Recreation and Park District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 25, 2025

JJACPA, Inc.
JJACPA, INC.

MENDOCINO COAST RECREATION AND
PARK DISTRICT ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



Prepared by:

Kylie Felicich
District Administrator

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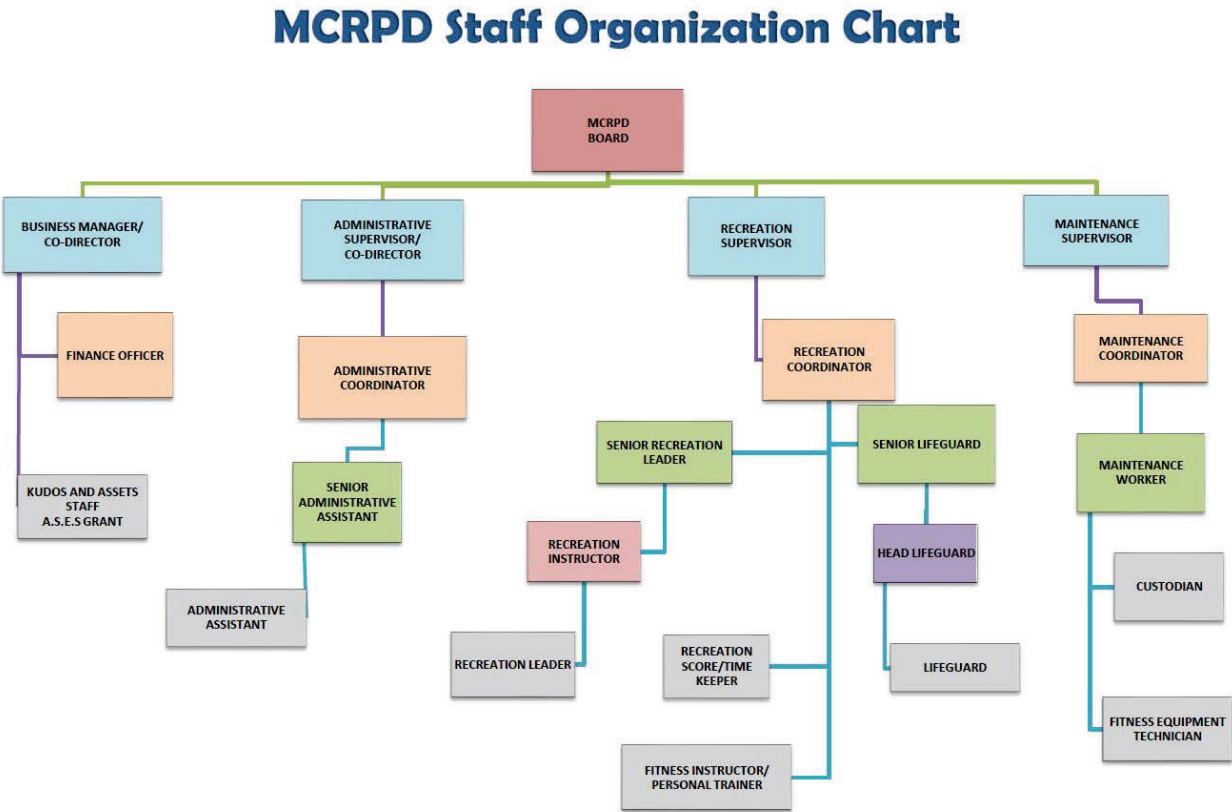
Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

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Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Organization Chart



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

List of Officials

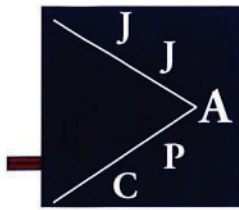
District Board

- | | | | |
|---|------------------|------|-----------|
| ➤ | Barbara Burkey | 2026 | Chair |
| ➤ | Dave Shpak | 2024 | Secretary |
| ➤ | Craig Comen | 2026 | |
| ➤ | Angela Dominguez | 2024 | |
| ➤ | John Huff | 2024 | |

District Officials

- | | | |
|---|----------------|---------------------|
| ➤ | Kylie Felicich | District Supervisor |
|---|----------------|---------------------|

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Mendocino Coast Recreation and Park District
Fort Bragg, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Mendocino Recreation and Park District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note 8 to the financial statements, the District is currently delinquent on a capital lease. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2024 on our consideration of the District'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.¹² 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 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 District's internal control over financial reporting and compliance.

February 2, 2024

JJACPA, Inc.
JJACPA, INC.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis

As management for the Mendocino Coast Recreation and Park District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider this document in conjunction with the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

◆ Government-Wide – Assets, Liabilities and Net Position

- The assets of the District exceeded its liabilities by about \$1.63 million at the end of the 2022 fiscal year. The District's total net position increased by \$15452.
- The District's net investment in capital assets for its governmental activities as of June 30, 2022 was \$995,125.

◆ Government-Wide – Revenues and Expenses

Overall District-wide revenues from all governmental activities increased by \$90,987, compared to the 2021 fiscal year.

- The District wide expenditures from all governmental activities decreased by \$86,938, compared to the 2021 fiscal year.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report has two major parts:

- 1) **Introductory section**, which includes general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements.

The Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two 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 District is improving or deteriorating.

The *statement of activities* presents information showing how the District's 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 the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the District consist of community services/recreation and services and supplies.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about the District's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

For the fiscal year ended June 30, 2022, the District has one major fund:

GOVERNMENTAL FUNDS:

- General Fund

The District maintains one individual governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for this fund.

The District adopts an annual appropriated budget for the General fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-24 of this report.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 26-37 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1.63M as of June 30, 2022. The Summary of Net Position as of June 30, 2022, and 2021, follows:

	Summary of Net Position		
	2022	2021	
	Govern- mental Activities	Govern- mental Activities	Change
Current and other assets	\$ 697,330	\$ 626,900	\$ 70,430
Noncurrent assets	4,150,135	4,127,565	22,570
Total assets	4,847,465	4,754,465	93,000
Current and other liabilities	2,251,340	2,043,939	207,401
Long-term liabilities	965,298	1,095,151	(129,853)
Total liabilities	3,216,638	3,139,090	77,548
Net position:			
Net investment in capital assets	995,125	1,025,178	(30,053)
Restricted	100,000	100,000	-
Unrestricted	535,702	490,197	45,505
Total net position	\$ 1,630,827	\$ 1,615,375	\$ 15,452

Overall, total net position increased by \$15,452. The majority of the net position of the District is represented by the District's net investment in its capital assets such as land, surplus property, buildings and improvements, leasehold improvements, and equipment.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2022, and 2021, follows:

	Changes in Net Position	
	2022	2021
Revenues:		
Program revenues:		
Charges for services:	\$ 70,525	\$ 18,549
General revenues:		
Property taxes	351,093	298,229
Intergovernmental	-	15,473
Other general revenues	1,874	254
Total revenues	<u>423,492</u>	<u>332,505</u>
Expenses:		
Governmental activities:		
Salaries and benefits	285,437	177,836
Programs	6,046	80,270
Sports	3,008	-
Marketing	918	655
Operations	45,775	100,371
Events	7,733	1,032
Other	6,500	11,274
Interest	52,623	123,540
Total expenses	<u>408,040</u>	<u>494,978</u>
Excess (Deficiency) of revenues over expenditures	<u>15,452</u>	<u>(162,473)</u>
Change in net position	15,452	(162,473)
Net position:		
Beginning of year	1,615,375	1,777,848
End of year	<u>\$ 1,630,827</u>	<u>\$ 1,615,375</u>

Revenues

The District's total revenues for governmental activities were \$423,492 for the fiscal year ended June 30, 2022. Most the District's key revenues are generated in FY 2021-2022 are from three major sources.

- 1. Charges for services** – FY 2021-2022 had an increase of \$51,976 in total cost of services from the previous fiscal year.
- 2. Property Taxes** – FY 2021-2022 Property taxes increase \$52,864 from FY 2020-2021.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

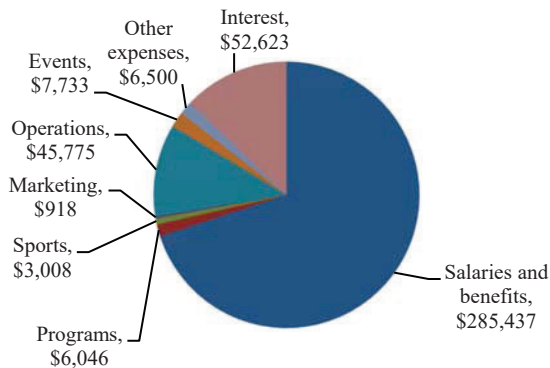
Expenses

Below is the breakdown of the overall expenditures:

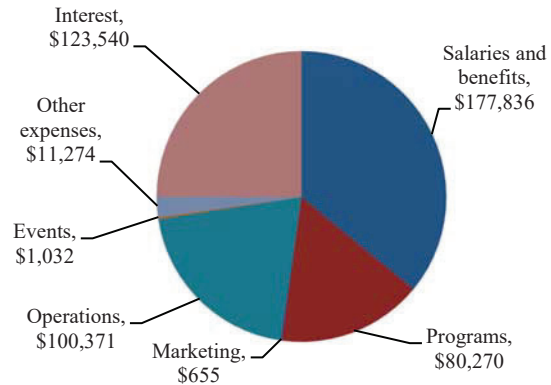
The following table shows the cost of each of the District's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the District's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2022, and 2021, are as follows:

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Salaries and benefits	\$ 285,437	\$ (285,437)	\$ 177,836	\$ (177,836)
Programs	6,046	(6,046)	80,270	(80,270)
Sports	3,008	(3,008)	-	-
Marketing	918	(918)	655	(655)
Operations	45,775	24,750	100,371	(81,822)
Events	7,733	(7,733)	1,032	(1,032)
Other expenses	6,500	(6,500)	11,274	(11,274)
Interest	52,623	(52,623)	123,540	(123,540)
Total	<u>\$ 408,040</u>	<u>\$ (337,515)</u>	<u>\$ 494,978</u>	<u>\$ (476,429)</u>

Expenses by Category - 2022



Expenses by Category - 2021



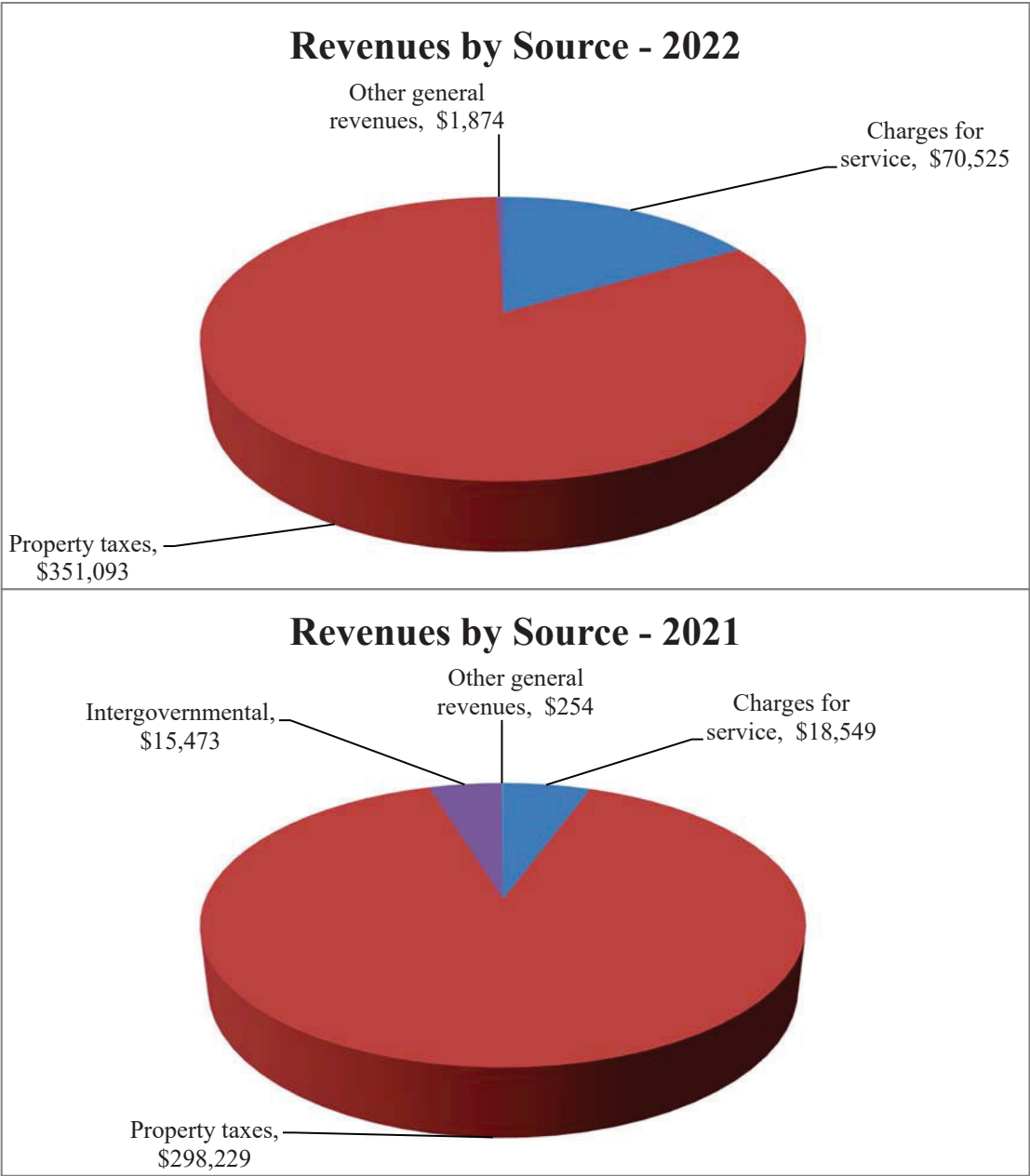
Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

Revenues by source for the fiscal years ended June 30, 2022, and 2021, are as follows:



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide financial statements.

Governmental funds

The District's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2022, the District's governmental funds reported combined fund balances of \$635,702.

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022, amount to \$4,150,135. This investment in capital assets includes land, surplus property, buildings and improvements, leasehold improvements, and equipment.

	Capital Assets	
	Governmental Activities	
	2022	2021
Land	\$ 2,519,977	\$ 2,519,977
Surplus Property	1,500,000	1,500,000
Buildings and Improvements	46,952	46,953
Leasehold improvements	489,853	489,853
Equipment	28,110	19,916
Less: Accumulated Depreciation	(434,757)	(449,134)
Total	<u>\$ 4,150,135</u>	<u>\$ 4,127,565</u>

More detail of the capital assets and current activity can be found in the notes to the financial statements on pages 28-29 for significant accounting policies and note 3 on page 34 for other capital asset information.

General Fund Budgetary Highlights

The difference between the final budget and actual revenues differs unfavorably by \$-13,686.

The difference between the final budget and actual expenses differs favorably by \$47,007.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Economic Outlook

- Per projections provided by the County of Mendocino, property tax revenue for FY 2022-2023 is estimated to be \$340,545.
- For FY2022-2023, the District projects operating revenue of \$90,578 collected for services. This is highly unfavorable compared to recent years due to the COVID-19 pandemic halting recreation programming for nearly the entire fiscal year.
- The District's December 29, 2011 bankruptcy filing is pending. West America Bank filed an appeal that was lost at the District Court and filed a further appeal with the Ninth Circuit Court of Appeals in November of 2013. That appeal is pending, but the briefing is stayed while the District and West America Bank attempt to reach a consensual resolution to the District's financial obligations. The most likely scenario for a resolution to the bankruptcy filing includes the sale of the District's surplus property, but no timeline for such a sale can be anticipated at this time.
- The District is participating in City of Fort Bragg planning activity for one capital project: the renovation of Fort Bragg Unified School District athletic fields. This project is managed by the city and has no financial impact to the District.

Requests for Information

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. If you have any questions about this report, or need additional financial information, contact the Mendocino Coast Recreation and Park District, Finance Department, P.O. Box 532, Fort Bragg, CA 95437. Our telephone number is (707) 734-3319.

BASIC FINANCIAL STATEMENTS

Mendocino Coast Recreation and Park District

Statements of Net Position

June 30, 2022

	Governmental Activities
	2022
ASSETS	
Current assets:	
Cash and investments	\$ 636,095
Receivables:	
Accounts	61,235
Total current assets	697,330
Noncurrent assets:	
Land	2,519,977
Surplus property	1,500,000
Other capital assets, net	130,158
Total noncurrent assets	4,150,135
Total assets	\$ 4,847,465
LIABILITIES	
Current liabilities:	
Accounts payable	42,387
Accrued liabilities	19,241
Interest payable	981,881
Due within one year	1,207,831
Total current liabilities	2,251,340
Noncurrent liabilities:	
Long-term debt:	
Due after one year	965,298
Total noncurrent liabilities	965,298
Total liabilities	3,216,638
NET POSITION	
Net investment in capital assets	995,125
Restricted	100,000
Unrestricted (Deficit)	535,702
Total net position	1,630,827
Total liabilities and net position	\$ 4,847,465

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District

Statement of Activities

For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position
			Governmental Activities 2022
Primary government:			
Governmental activities:			
Salaries and benefits	\$ 285,437	\$ -	\$ (285,437)
Programs	6,046	-	(6,046)
Sports	3,008	-	(3,008)
Marketing	918	-	(918)
Operations	45,775	70,525	24,750
Events	7,733	-	(7,733)
Other expenses	6,500	-	(6,500)
Interest	52,623	-	(52,623)
Total governmental activities	408,040	70,525	(337,515)
Total primary government	\$ 408,040	\$ 70,525	(337,515)
General revenues:			
Taxes:			
Property taxes			351,093
Intergovernmental			-
Other revenues			1,874
Total general revenues			352,967
Change in net position			15,452
Net position:			
Beginning of year			1,615,375
End of year			\$ 1,630,827

The accompanying notes are an integral part of these basic financial statements.

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FUND FINANCIAL STATEMENTS

Fund	Description
General Fund	This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists of general government type activities.

Mendocino Coast Recreation and Park District

Balance Sheet

General Fund

June 30, 2022

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 636,095
Receivables:	
Accounts	61,235
Total assets	<u>\$ 697,330</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 42,387
Accrued liabilities	19,241
Total liabilities	<u>61,628</u>
Fund balances:	
Restricted	100,000
Unassigned (Deficit)	535,702
Total fund balances	<u>635,702</u>
Total liabilities and fund balances	<u>\$ 697,330</u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balances - total governmental funds	\$ 635,702
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	4,150,135
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Interest payable	(981,881)	
Due within one year	(1,207,831)	
Due after one year	<u>(965,298)</u>	<u>(3,155,010)</u>

Net position of governmental activities		<u><u>\$ 1,630,827</u></u>
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The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2022

	General Fund Balance Sheet	Reclassifications	Changes in GAAP	Statement of Position
ASSETS				
Current assets:				
Cash and investments	\$ 636,095	\$ -	\$ -	\$ 636,095
Receivables:				
Accounts	61,235	-	-	61,235
Total current assets	697,330	-	-	697,330
Noncurrent assets:				
Land	-	-	2,519,977	2,519,977
Surplus assets	-	-	1,500,000	1,500,000
Other capital assets, net	-	-	130,158	130,158
Total noncurrent assets	-	-	4,150,135	4,150,135
Total assets	\$ 697,330	\$ -	\$ 4,150,135	\$ 4,847,465
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 42,387	\$ -	\$ -	\$ 42,387
Accrued liabilities	19,241	-	-	19,241
Interest payable	-	-	981,881	981,881
Due within one year	-	-	1,207,831	1,207,831
Total current liabilities	61,628	-	2,189,712	2,251,340
Noncurrent liabilities:				
Long-term liabilities:				
Due after one year	-	-	965,298	965,298
Total noncurrent liabilities	-	-	965,298	965,298
Total liabilities	61,628	-	3,155,010	3,216,638
FUND BALANCES/NET POSITION				
Fund balances:				
Restricted	100,000	(100,000)		
Unassigned (Deficit)	535,702	(535,702)	-	-
Net position:				
Net investment in capital assets	-	-	995,125	995,125
Restricted	-	100,000	-	100,000
Unrestricted	-	535,702	-	535,702
Total fund balances/ net position	635,702	-	995,125	1,630,827
Total liabilities and net position	\$ 697,330	\$ -	\$ 4,150,135	\$ 4,847,465

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the year ended June 30, 2022

	<u>General Fund</u>
REVENUES:	
Property taxes	\$ 351,093
Charges for services:	
Enrichment	22,601
Youth sports	5,236
Special Events	20,073
Adult Sports	7,808
Drop in	14,807
Other revenues	1,874
Total revenues	<u>423,492</u>
EXPENDITURES:	
Current:	
Salaries and benefits	285,437
Programs	6,046
Sports	3,008
Marketing	918
Operations	68,345
Events	7,733
Other expenses	6,500
Total expenditures	<u>377,987</u>
REVENUES OVER (UNDER)	
EXPENDITURES	<u>45,505</u>
Net change in fund balances	45,505
FUND BALANCES (DEFICIT):	
Beginning of year	590,197
End of year	<u>\$ 635,702</u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District

Reconciliation of Fund Based Statements to Government-wide Statement of Activities

For the year ended June 30, 2022

Functions/Programs	Fund Based Totals	Debt/ Compensated Absences	Depreciation	Capital Asset (Additions)/ Retirements	Government- wide Totals
Governmental activities:					
Salaries and benefits	\$ 285,437	\$ -	\$ -	\$ -	\$ 285,437
Programs	6,046	-	-	-	6,046
Marketing	918	-	-	-	918
Operations	68,345	-	23,521	(46,091)	45,775
Other expenses	6,500	-	-	-	6,500
Debt service:					
Interest	-	52,623	-	-	52,623
Total governmental activities	<u>\$ 377,987</u>	<u>\$ 52,623</u>	<u>\$ 23,521</u>	<u>\$ (46,091)</u>	<u>\$ 408,040</u>

The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net change in fund balances - total governmental funds	\$ 45,505
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	46,091	
Depreciation expense	<u>(23,521)</u>	22,570

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Accrued interest expense	<u>(52,623)</u>	<u>(52,623)</u>
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Change in net position of governmental activities	\$ <u>15,452</u>
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The accompanying notes are an integral part of these basic financial statements.

Mendocino Coast Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual - General Fund
 For the year ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:				
Property taxes	\$ 324,328	\$ 324,328	\$ 351,093	\$ 26,765
Charges for services				
Enrichment	50,656	50,656	22,601	(28,055)
Youth sports	9,633	9,633	5,236	(4,397)
Special Events	12,397	12,397	20,073	7,676
Adult Sports	13,955	13,955	7,808	(6,147)
Drop in	11,287	11,287	14,807	3,520
Other revenues	14,922	14,922	1,874	(13,048)
Total revenues	<u>437,178</u>	<u>437,178</u>	<u>423,492</u>	<u>(13,686)</u>
EXPENDITURES:				
Current:				
Salaries and benefits	313,843	313,843	285,437	28,406
Programs	3,225	3,225	6,046	(2,821)
Sports	9,700	9,700	3,008	6,692
Marketing	3,000	3,000	918	2,082
Operations	76,614	76,614	68,345	8,269
Events	6,782	6,782	7,733	(951)
Other expenses	11,830	11,830	6,500	5,330
Total expenditures	<u>424,994</u>	<u>424,994</u>	<u>377,987</u>	<u>47,007</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>12,184</u>	<u>12,184</u>	<u>45,505</u>	<u>33,321</u>
Net change in fund balances	12,184	12,184	45,505	33,321
FUND BALANCES (DEFICIT):				
Beginning of year	590,197	590,197	590,197	-
End of year	<u>\$ 602,381</u>	<u>\$ 602,381</u>	<u>\$ 635,702</u>	<u>\$ 33,321</u>

The accompanying notes are an integral part of these basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Mendocino Coast Recreation and Park District (the "District") was formed in May of 1973 under provisions of the State of California Public Resources Code Section 5780. The District provides and coordinates recreational facilities and activities for the Mendocino County coastal areas. The reporting entity is comprised of the District as the oversight and only component unit.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting policies.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. As of June 30, 2022, the District only reports charges for services as program revenues. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Governmental Funds

The following are the District's major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists only of general government type activities.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity

Cash Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include accounts and intergovernmental receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as accounts receivable and intergovernmental receivables since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The District's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Inventories

The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the District has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities and business-type activities columns of the government-wide financial statements. Capital assets include land, buildings and site improvements and equipment and machinery. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Capital Assets, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

Building improvements	30 – 50 years
Leasehold improvements	15 – 30 years
Equipment	5 – 7 years

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences and a capital lease are presented as intangible assets and amortized on a straight-line basis over the life of the debt in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The District's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave, up to limits established by individual employee bargaining units. This debt is estimated based on historical trend analysis, the current portion of which is reported in the General Fund and the remaining balance is shown in the government-wide financial statements.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “*net investment in capital assets*.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as restricted or unrestricted as provided in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the District:

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the general fund in excess of restricted fund balance (surplus).
- Excess of restricted fund balance over total fund balance (deficit).

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues, Expenditures, and Expenses

Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities in accordance with statutory regulations.

The District receives property taxes from the County of Mendocino, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. The secured property taxes are assessed on July 1 and the lien date is January 1. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

On February 29, 2012 the District and the City of Fort Bragg entered into a Property Tax Exchange Agreement where the District assigns 45% of its allocable share of property tax revenue and all revenues that the District receives from the Successor Agency to the Fort Bragg Redevelopment Agency.

Stewardship, Compliance, and Accountability

It is the District's policy to adopt annual budgets. The District Board may amend the budget by motion during the fiscal year. The District Administrator is authorized to transfer budgeted amounts within any single fund. However, any revisions that alter total expenditures of any fund must be approved by the District Board.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year.

Budget information is presented for governmental fund types on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget and all approved budget amendments.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Public meetings are conducted to obtain public comments. The District Board annually adopts the budget for the ensuing fiscal year prior to July 1st.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Stewardship, Compliance, and Accountability, Continued

2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2023, based on the calculations by District Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted appropriations for the various governmental funds become effective each July 1st.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Comparative Data

Comparative data for the prior year has been presented in the accompanying Management, Discussion, and Analysis in order to provide an understanding of changes in the government's financial position and operations.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

2. CASH AND INVESTMENTS

The District had the following cash and investments at June 30, 2022:

	<u>Deposits</u>	<u>Fair Value</u>
Cash deposits - Savings Bank of Mendocino County	\$ 636,095	\$ 636,095
Total	<u>\$ 636,095</u>	<u>\$ 636,095</u>

Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Custodial credit risk – deposits. For deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District's Investment Policy addresses custodial credit risk, which follows the Government Code.

At June 30, 2022, the balances in financial institutions were \$636,095. Of the balance in financial institutions, \$250,000 was covered by Federal Depository Insurance Corporation (FDIC) and \$386,095 was collateralized as required by State law (Government Code Section 53630).

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

3. CAPITAL ASSETS

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

	Balance July 1, 2021	Additions	Adjustments/ Deletions	Balance June 30, 2022
Land	\$ 2,519,977	\$ -	\$ -	\$ 2,519,977
Surplus Property	1,500,000	-	-	1,500,000
Buildings and improvements	46,953	-	(1)	46,952
Leashold improvements	489,853	-	-	489,853
Equipment	19,916	-	8,194	28,110
Total capital assets	<u>4,576,699</u>	<u>-</u>	<u>8,193</u>	<u>4,584,892</u>
Accumulated depreciation	<u>(449,134)</u>	<u>(23,521)</u>	<u>37,898</u>	<u>(434,757)</u>
Net capital assets	<u>\$ 4,127,565</u>	<u>\$ (23,521)</u>	<u>\$ 46,091</u>	<u>\$ 4,150,135</u>

Depreciation expense for governmental activities was charged to the general services function for \$23,521.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2022:

	Governmental Activities
Accounts payable	\$ 42,387
Accrued payroll	19,241
Total	<u>\$ 61,628</u>

These amounts resulted in the following concentrations in payables:

Vendors	69 %	Employees	31%
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Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

5. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Capital Lease - WestAmerica	\$ 2,173,129	\$ -	\$ -	\$ 2,173,129	\$1,207,831
Total	<u>\$ 2,173,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,173,129</u>	<u>\$1,207,831</u>

Capital Lease – WestAmerica Bank

The District entered into a lease with WestAmerica Bank secured by real property to be used for the contribution of the regional park/golf course. The capital lease is payable in installments of \$91,238 including interest at 4.95% per annum through November 2028. This capital lease is currently in default.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

Year Ending June 30,	Capital Lease - WestAmerica Bank	
	Principal	Interest
2023	\$ 1,207,831	\$ 981,881
2024	136,361	46,115
2025	143,194	39,282
2026	150,370	32,106
2027	157,905	24,571
2028-2029	377,468	21,896
Total	<u>\$ 2,173,129</u>	<u>\$ 1,145,851</u>
Due within one year	\$ 1,207,831	\$ 981,881
Due after one year	965,298	163,970
Total	<u>\$ 2,173,129</u>	<u>\$ 1,145,851</u>

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

6. NET POSITION/ FUND BALANCES

Net Position

	Governmental Activities
Net investment in capital assets	\$ 995,125
Restricted:	
Aquatics	100,000
Unrestricted	535,702
Total	<u>\$ 1,630,827</u>

Fund Balance

Fund balances consisted of the following:

Major Fund:

General Fund:

Restricted:

Aquatics	\$ 100,000
Unassigned	535,702
Total	<u>\$ 635,702</u>

Restricted:

Aquatics – represents amounts restricted for aquatics programs.

7. RISK MANAGEMENT

The District 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 natural disasters. The District together with other districts in the State carry California Association For Park And Recreation Insurance (CAPRI), a public entity risk pool currently operating as a common risk management and insurance program for member districts. The District pays an annual premium to CAPRI for its general insurance coverage. Furthermore the District carries workers compensation coverage with other districts in the State through CAPRI. Membership in the California Association of Recreation and Park Districts is required when applying for CAPRI.

The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums. CAPRI reinsures through commercial companies for general and automobile liability excess claims and all risk property insurance, including boiler and machinery coverage, is subject to a \$2,000 deductible occurrence payable by the District. Financial statements for CAPRI are available at the District's office for fiscal year ending June 30, 2022.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

8. GOING CONCERN

The Mendocino Coast Recreation and Park District entered leasing arrangements with Municipal Finance Corporation in April 2008. The District received "advance rental" of \$2.3 million for leasing the Municipal Finance Corporation's the proposed golf course property. The District then subleased the property back for bi-annual lease payments of \$91,238 to MFC for 20 years. The MFC assigned all of its rights under the sublease to Westamerica Bank the same day.

The District did not generate enough revenues to make the bi-annual \$91,238 payments to Westamerica Bank. As the District continued to experience budget shortfalls, it unsuccessfully tried to negotiate with Westamerica Bank. The District filed for relief under Chapter 9 on December 29, 2011. The Bank challenged the Chapter 9 filing claiming the District had not satisfied the pre-Chapter 9 filing negotiation requirement. The Bank appealed and the District Court affirmed the Bankruptcy Court in September 2013. The District Court agreed with the Bank that before filing a Chapter 9 a debtor must make a specific proposal to the creditor. The Court then went on to say, since the Bank was unwilling to respond to the District, the negotiation requirement was futile, and the Chapter 9 may proceed. The Bank appealed this decision in October 2013. This appeal has been placed on hold and the matter referred to mediation. The Appeals court has continued the mediation since December 2013.

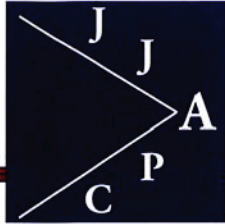
Over the years the Ninth Circuit appeal has been pending, the Bank and District have continued to discuss potential resolutions of the problem. The Bank realizes the difficulty with the property and the fact that the District has no feasible way to pay the Bank back.

On March 1, 2021, at the request of the District and with consent of Westamerica Bank, the Chapter 9 case was dismissed without prejudice. On March 31, 2023, the District agreed to terms on the sale of the property and payoff of the site lease to Westamerica Bank.

9. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, on March 31, 2023, the District completed the sale of the golf course property for a total consideration of \$2,420,579 and the proceeds were used to payoff the site lease to Westamerica Bank. This transaction resulted in a gain of \$1,655,010, which has not been reflected in the accompanying financial statements.

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JJACPA, Inc.

A Professional Accounting Services Corp.

**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***

Independent Auditor's Report

To the Board of Directors of the
Mendocino Coast Recreation and Park District
Fort Bragg, California

We have audited, in accordance with the 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, each major fund, and the budgetary comparison information of Mendocino Coast Recreation and Park District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies. We did identify certain deficiencies in internal control, described in the separate Schedule of Findings and Responses as item 2022-1 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 2, 2024

JJACPA, Inc.
JJACPA, INC.



STAFF REPORT

Agenda Item No. 8a	
MEETING DATE	June 1, 2026
MEETING BODY	Mendocino Local Agency Formation Commission
FROM	Uma Hinman, Executive Officer
SUBJECT	Report on Applications and Work Load

RECOMMENDED ACTION

Staff recommends the Commission receive and file this report.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates local agency formation commissions (LAFCos) with regulatory and planning duties to coordinate the logical formation and development of local government agencies. This includes approving or disapproving proposals for reorganizations (i.e., annexations, detachments, dissolutions, etc.), activation of latent powers, sphere of influence amendments, and outside service agreements.

LAFCo proceedings for jurisdictional changes are generally initiated by outside applicants through petitions (landowners or voters) and resolutions (local agencies). LAFCos may also initiate jurisdictional changes to form, consolidate, or dissolve special districts if consistent with the recommendations of approved municipal service reviews.

The item is for information and satisfies Mendocino LAFCo's reporting requirement for current and future applications.

Active and Future Proposals

Attachment 1 is a regular update to the Commission on active proposals on file as well as identification of future proposals staff anticipates being filed with LAFCo in the near term based on discussions with local agencies and proponents.

Work Plan

Local policy directs the Commission to annually adopt a Work Plan for purposes of providing a comprehensive overview of municipal service reviews and sphere of influence updates over the course of the fiscal year. Attachment 2 is an update on the status of activities scheduled in the Work Plan. This report also serves to inform the Commission of any changes in circumstances or priorities.

Attachments

1. Summary Table – Application Activity and Potential Future Proposals
2. Summary Table – Work Plan Tracking and Status

Attachment 1. Summary Table – Application Activity and Potential Future Proposals

LAFCo File No.¹	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCo Hearing Date	Certificate of Completion	BOE Submittal Date
Active Proposals							
A-2025-06	Ukiah	Corporation Yard Annexation	10/19/2025	4/27/2026	5/4/2026		
City of Ukiah Resolution of Application No. 2025-54 for annexation of one City-owned property (7.9-acres) located within the Ukiah Valley for use as a municipal corporation yard.							
A-2025-05	MCCRFC & WCID	Russian River Flood Control District Annexation of RVCWD	10/14/2025				
The Mendocino County Russian River Flood Control & Water Conservation Improvement District (RRFC) proposal to annex the Redwood Valley County Water District (RVCWD). The annexation will allow the RRFC to extend their service area to match its place of use and establish a standard water services agreement with the RVCWD that will allow for use of contract water throughout the RVCWD service area. Application referral has been distributed and Notice of Filing sent to County to initiate tax share agreement. The application is incomplete pending a tax share agreement.							
P-2025-01	Ukiah	Pre-Application Review for Reorganization	4/22/2025	N/A	N/A	N/A	N/A
The City of Ukiah's Pre-Application Review to coordinate development of an application(s) for reorganization.							
P-2023-02	Fort Bragg	Pre-Application Review for Annexation of City-owned Properties	4/10/2023	N/A	N/A	N/A	N/A
The City of Fort Bragg submitted a Pre-Application Review Request for annexation of Mendocino Coast Recreation and Park District properties consisting of 6 parcels totaling 582 acres. The intended use of the parcels is for water supply reservoirs, power generation, preservation and recreation. A pre-application meeting was held with Fort Bragg staff on July 25, 2023. Staff met with City staff on June 27, 2024 to pre-review the application materials for annexation. The City continues to plan for development an annexation of the subject parcels and has requested the Pre-Application remain open.							
A-2023-01	AVCSD	Annexation of Sphere	3/6/2023				
The Anderson Valley Community Services District (AVCSD) proposes to annex the District's Sphere of Influence (SOI) for fire and ambulance services. The application is incomplete pending a tax share agreement.							
L-2022-01	ECSD	Elk Community Services District Activation of Latent Powers for Wastewater Services	4/8/2022				
The Elk Community Services District (ECSD) proposes to activate latent powers for wastewater services. The district proposes to assume ownership and operation of a community leach field within the community of Elk. The application is incomplete pending a tax share agreement and additional information.							
Future Proposals							
	AVCSD	AVCSD Activation of Latent Powers for Water and Wastewater Services					
The AVCSD is developing a plan and design for providing water and wastewater services to the community of Boonville, which will require activation of latent powers through LAFCo. Staff met with AVCSD staff on 1/22/2026 to hear an update on the district's progress. The District anticipates submitting an application in 2026.							

	City of Willits	SOI Amendment							
The City of Willits is developing an application for a Sphere Amendment and staff is coordinating an MSR update to coincide with the City's application.									

¹Key:

A – Annexation

C – Consolidation

D – Detachment

F – Formation

L – Activation of Latent Powers

O – Outside Agency Service Agreement

P – Pre-application Review Request

R – Reorganization

Attachment 2. Summary Table – Work Plan Tracking and Status

FY 2025-26 ESTIMATED WORK PLAN IMPLEMENTATION SCHEDULE AND STATUS

Work Plan status as of May 27, 2026

Subject to Change: The estimated schedule and costs for the annual Work Plan are subject to change based on agency responsiveness, timely provision of requested information, complexity of issues, level of public and affected agency controversy, and changing needs and priorities.

CEQA: Based on LAFCo practice, the work plan assumes minimal costs for CEQA compliance related to preparing a Notice of Exemption, unless an agency proposes a non-coterminous SOI and pays for any necessary studies and preparation of a Negative Declaration or Environmental Impact Report.

Rolling Work Plan: It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of a study may roll over to the next fiscal year. This estimated work plan implementation schedule is intended to enhance communication and transparency.

Agency	Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Status/Notes
FY 2025-26 Work Plan						
Laytonville County Water District	8/9/2024 5/7/2025					Initial interview conducted 3/20/2025; MSR/SOI study initiated; partial response has been received, awaiting remaining information requests
Hopland Public Utilities District	1/16/2025	N/A	N/A	N/A	9/8/2025	Completed
Mendocino Coast Recreation and Park District	2/5/2025	7/8/2025; 1/5/2026	6/1/2026			Workshop scheduled
City of Willits	4/30/2025	2/18/2026				Administrative Draft under internal review by City staff
City of Point Arena	5/6/2025	9/15/2025	5/4/2026	6/1/2026		Public hearing scheduled.
Fire/EMS Service Providers (18)	12/11/2025					EO provided a LAFCo 101 and MSR/SOI presentation to the Fire Districts Association on August 13 and the Fire Chiefs Association on September 10. All but three agencies have submitted responses to the RFIs. A regional paper is in progress.



MEMBER UPDATE

MAY 2026

Since the March Quarterly Newsletter, CALAFCO has stayed busy on the work that matters most to members: education and training, legislative advocacy, communications improvements, governance implementation, and day-to-day support for LAFCOs of every size and region.

One thing has become especially clear this year: members truly value staying connected with colleagues across California. Workshops, trainings, and committee discussions give commissioners, staff, and partners, whether you are new to LAFCO work or have decades of experience, the chance to share ideas, learn from one another, and build lasting relationships.

HERE'S WHERE THAT STANDS.

Board Governance and Strategic Planning:

Following the Special Membership Meeting in February, the Board has been putting into place the governance changes the membership approved earlier this year.

Those changes take effect with the 2026 election cycle.

In February, the Board also held a full-day strategic planning workshop focused on governance, communications, education, and strengthening member involvement and statewide coordination.

Staff will begin distributing election materials this summer as CALAFCO prepares for the 2026 Board election cycle under the newly adopted governance structure.

Educational Programs Continue to Grow:

Interest in CALAFCO's education and training programs keeps growing.

In February, CALAFCO-U hosted LAFCO 101 with more than 100 registrants, and in April, LAFCO 201 drew another 100-plus participants for a deeper look at governance, legal, and operational topics. It is great to see so many members learning side by side.

CALAFCO also launched free, on-demand SB 827 ethics compliance training in partnership with BBK and Regional Government Services. The training is available to every member through December 31, 2026. If your team hasn't completed it yet, there is still plenty of time.

Staff Workshop in Pismo Beach: The 2026 CALAFCO Staff Workshop was held May 6-8 in Pismo Beach with approximately 85 attendees from throughout California, and was a huge success!

The workshop centered on practical, hands-on discussions and peer learning, giving LAFCO staff from large multi-county offices to single-staff LAFCOs time to connect and work through the day-to-day challenges so many of us share.

A special thank you again to San Luis Obispo LAFCO for serving as the host LAFCO and helping make the workshop a success.

2026 Biennial Survey: CALAFCO also completed its 2026 Biennial Survey of California LAFCOs, with 51 LAFCOs participating.

The survey offers valuable statewide insight into staffing models, budgets, workloads, shared services, and operational trends. LAFCOs of all sizes use the results for benchmarking, organizational planning, budget development, and compensation discussions.

Legislative Engagement Remains Strong: CALAFCO's Legislative Committee is actively reviewing legislation that affects LAFCOs and the local government services communities rely on across California. This work draws on the combined efforts of CALAFCO staff, Board members, Executive Officers, and our lobbying team. There is always room for more members to weigh in, and we welcome your input.

The CALAFCO Legislative Committee also formally opposed AB 2083 (Jackson, 2026) due to concerns regarding consistency with existing Cortese-Knox-Hertzberg processes and the broader precedent the legislation could create for future LAFCO proceedings statewide.

Membership and Organizational Sustainability: At the May Board meeting, the Board approved CALAFCO's FY 2026-27 operating budget and approved moving forward with additional discussions regarding CALAFCO's long-term dues and membership structure.

The Board also approved the creation of a Membership and Dues Review Committee, with appointments expected later this summer. The review will look closely at CALAFCO's membership and dues structure with fairness, predictability, member value, and long-term financial stability all on the table. We especially want to hear from LAFCOs of every size as this work moves forward, and there will be several opportunities for members to share their perspectives.

Communications and Website Improvements: Staff have also started implementing several practical website and communications improvements in response to member feedback. Current efforts are focused on simplifying key pages, improving the visibility of events and updates, and organizing information more clearly to make the website easier for members to navigate and use.

Planning Ahead: The Board also approved the locations for the 2027-2029 Staff Workshops and Annual Conferences, allowing staff to continue long-range planning for future events and contracts. Planning is also underway for the 2026 CALAFCO Annual Conference in Sacramento, October 21-23. The Board approved updated Achievement Award nomination materials, including several new categories that recognize emerging leaders, creative partnerships, and project-based work across the LAFCO community. We encourage every LAFCO to consider nominating a colleague. Great work happens at organizations of all sizes. Nomination materials will be distributed in June.

SO, WHAT'S NEXT:

Between now and the Annual Conference, CALAFCO's focus remains straightforward:

- 1) Put the membership-approved governance changes fully into effect.
- 2) Keep improving our communications and website so information is easy to find.
- 3) Strengthen financial reporting and day-to-day operations.
- 4) Expand practical education and training opportunities for members at every level.
- 5) Prepare for the 2026 Annual Conference and 2026 Board election cycle.

CALAFCO There's still important work ahead, but CALAFCO is clearly moving in a positive direction. Our focus remains on doing the work well, communicating openly, following through, and delivering practical support and real value to LAFCOs of every size across California.

What makes CALAFCO valuable is the willingness of commissioners, staff, and partners throughout California to stay involved, share ideas, and support one another. Whether your LAFCO is large or small, urban or rural, your voice and participation strengthen the whole community.

As always, I'm grateful for the support, participation, and engagement of LAFCOs across California. I warmly welcome those of you who are newer to CALAFCO or simply looking for ways to get more involved.

Michelle McIntyre