

**COUNTY OF MONO
AUDIT REPORT
FOR THE YEAR ENDED
JUNE 30, 2013**

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COUNTY OF MONO

AUDIT REPORT

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INTRODUCTORY SECTION

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DEPARTMENT OF FINANCE

COUNTY OF MONO

Rosemary Glazier
Assistant Finance Director
Treasurer-Tax Collector

Leslie L. Chapman, CPA
Finance Director

Roberta Reed
Assistant Finance Director
Auditor-Controller

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Honorable Board of Supervisors
County of Mono
Bridgeport, California 93517

Members of the Board:

The Comprehensive Annual Financial Report of the County of Mono for the fiscal year ended June 30, 2013, is hereby submitted in accordance with Section 25253 of the Government Code. We believe the data, as presented, is accurate in all material aspects and this report presents fairly the financial position and results of operations of the County's various funds. It also includes necessary and appropriate disclosures and supplementary data to enable the reader to fully understand the overall County financial position.

ACCOUNTING AND BUDGETARY POLICIES

The County maintains accounting controls, which comprise the plan of organization, all methods and procedures designed to safeguard assets, and the reliability of financial records for financial statement presentation. These controls include the system of authorization and approval, separation of duties, physical control and custody over assets.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

The safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be delivered; and

The evaluation of costs and benefits requires estimates and judgments of management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In accordance with provisions of Section 29000 and 29143 inclusive, of the Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and adopts a budget for each fiscal year. Budgetary control for expenditures is maintained at the object level for all budgetary units except for fixed assets, which are controlled on the fund level. The expenditure side of the budget is enacted into law through the passage of an appropriation resolution. This resolution constitutes the maximum authorization to spend during the fiscal year and cannot be exceeded except by subsequent amendment of the budget by the Board of Supervisors. Unexpended appropriations at the end of the fiscal year lapse.

THE REPORTING ENTITY AND ITS SERVICES

This report includes all the funds and account groups for which the County's Board of Supervisors has oversight responsibility. This oversight responsibility includes, but is not limited to, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The County provides a full range of local government functions that includes Public Protection, Public Ways and Facilities, Health and Sanitation, Social Services, Education, Culture and Recreation, and General Services.

GENERAL GOVERNMENT FUNCTIONS

Revenues from all Governmental fund type sources totaled \$48,521,668 in 2012-13, a decrease of 2.61 percent from 2011-12. The amount of variance from the prior fiscal year is shown in the following tabulation. For fiscal year 2012-13 this variance is primarily from a decrease in intergovernmental revenues and charges for services.

<u>Sources: FY 2012-13</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2011-12</u>
Taxes and assessments	21,879,836	45.09%	199,435
Licenses and permits	601,613	1.24%	(93,430)
Fines, forfeitures and penalties	909,574	1.87%	(140,038)
Use of money and property	309,255	0.64%	167,209
Intergovernmental	20,370,593	41.98%	(778,425)
Charges for current services	3,909,227	8.06%	(754,469)
Other revenue	541,570	1.12%	98,296
TOTAL	<u>48,521,668</u>	<u>100.00%</u>	<u>(1,301,422)</u>

Expenditures for all Governmental fund type functions totaled \$49,253,187 a decrease of 6.67 percent over 2011-12. The amount of variance from the prior fiscal year is shown in the following tabulation. The highest single decrease is in Public Protection. This can be accounted for by the 2011-12 PERS side fund refunding paid in its entirety last year and replaced with a relatively low interest and principal payable in the current year. Debt Service reflects the refunded PERS debt obligation.

<u>Sources: FY 2012-13</u>	<u>Amount</u>	<u>Percent of Total</u>
General Government	6,525,916	13.25%
Public Protection	19,632,037	39.86%
Public Ways and Facilities	8,220,412	16.69%
Health and Sanitation	9,795,300	19.89%
Public Assistance	4,006,049	8.13%
Education	37,758	0.08%
Recreation and Culture	13,930	0.03%
Debt Service		
Principal	502,100	1.02%
Interest	172,795	0.35%
Capital Outlay	346,890	0.70%
TOTAL	<u>49,253,187</u>	<u>100.00%</u>

At June 30, 2013, the Governmental fund types unassigned fund balance of \$5,458,121 was composed of the following:

General Fund	\$ 6,399,062
Road Fund	(763,963)
Other governmental Funds	(176,978)

Mono County implemented GASB 54 beginning June 30, 2011. GASB 54, reflects an accounting rule designating and reclassifying fund balances into the following categories: Non-spendable, Restricted, Assigned and Unassigned. This reclassification has changed certain fund balances from Unassigned to Restricted. When a fund has a restricted balance, it means the money in those funds can only be used for specified purposes, i.e. Fish and Game monies may only be spent on specified fish and game projects, hence restricted. The Fish and Game Fund has a restricted fund balance of \$13,125. It is unassigned as far as specified fish and game activity goes, but is restricted in that it cannot be used for the payment of General Fund expenses. In looking at the Governmental balance sheets on page 23, the Non-spendable and Restricted amounts refer to monies obligated i.e. accounts payable, advances to other funds, encumbrances and special use monies such as Social Services, Public Health and Mental Health.

CASH MANAGEMENT

Cash temporarily idle during the fiscal year was invested with the County Treasury pooled cash. This investment is composed of deposits and investments allowed by California Government Code and the Mono County investment policy. This pooled cash concept allows the various funds within the County Treasury to earn interest based on their average daily cash balance. The County, pursuant to the adopted investment policy, invested in United States Government Agency Obligations, Corporate Bonds and the State Local Agency Investment Fund (LAIF). See note 3 for additional information.

CAPITAL ASSETS RELATED TO GOVERNMENTAL ACTIVITIES

The capital assets related to governmental activities of the County are those fixed assets used in the performance of its general government functions. As of June 30, 2013, the amount in the general fixed asset account group of the County was \$35,334,453. This amount represents the book value of the assets. Of this amount, \$9,250,735 is non-depreciable.

INDEPENDENT AUDIT

Section 25250 of the Government Code requires the County to annually have made by an independent Certified Public Accountant, a careful and complete audit of the accounts and records of all offices of the County. This requirement has been complied with and the independent auditor's opinion has been included in this report.

PROSPECTS FOR THE FUTURE

The "budget battle" continues even though Mono County is seeing a leveling of tax revenues – with little to no decrease in values for 2013-14. Federal and State revenues have tapered down thus still leaving the County struggling to keep up with the increasing costs of providing services. Mono County will begin to see a very modest increase in property taxes in 2014-15, but will have to maintain a tight budget especially in light of certain Federal and State proposed cuts in the future.

Respectfully submitted this 10th day of March, 2014,

ROBERTA REED
ASSISTANT DIRECTOR OF FINANCE
AUDITOR-CONTROLLER
COUNTY OF MONO

COUNTY OF MONO
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2013

DEPARTMENT	DEPARTMENT OFFICIAL
Assessor	Vacant
Board of Supervisors	
District #1	Larry Johnston, Vice-Chairman
District #2	Fred Stump
District #3	Timothy Alpers
District #4	Timothy Fesko
District #5	Byng Hunt, Chairman
Clerk-Recorder/Clerk of the Board	Lynda Roberts
County Counsel	Marshall Rudolph
County Administrative Officer	James Leddy
District Attorney	Tim Kendall
Finance Director	Leslie Chapman, CPA
Health Officer	Richard Johnson, MD
Combined Court	Stan Eller
Mental Health	Robin Roberts
Probation	Karin Humiston
Public Health Director	Lynda Salcido
Public Works – Roads	Jeff Walters
Public Works – Engineering	Vacant
Sheriff-Coroner	Ralph Obenberger
Superintendent of Schools	Stacy Adler
Social Services	Kathy Peterson

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Supervisors
County of Mono
Bridgeport, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Mono (County), California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, 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.

Honorable Members of the Board of Supervisors
County of Mono

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
March 10, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

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COUNTY OF MONO

Management Discussion and Analysis

In this section of the County of Mono (County) annual financial report, County management discusses financial results for the fiscal year ended June 30, 2013. It should be read in conjunction with the transmittal letter at the front of this report and the County's financial statements following this section.

I. FINANCIAL HIGHLIGHTS

- The County's overall assets exceeded its liabilities at the close of the most recent fiscal year by \$50,226,315 (net position). Of this amount, \$42,365,357 is invested in Capital Assets; \$11,657,175 is restricted for various programs; and (\$3,796,217) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,244,779 (6.9%) from the June 30, 2012, report. This increase is a result of a combination of factors. In anticipation of reduced revenues, the Board of Supervisors reduced their spending accordingly. Non-depreciable assets increased by \$4,493,761 primarily due to construction in progress funded by grants. Both long-term and short-term debt increased primarily due to changes in closure/post-closure for solid waste. Contributing to the increase in cash and investments were both the 2010 COP and the 2012 PERS Sidefund refunding at lower interest rates previously paid, increasing available cash in both governmental and enterprise activities.
- As of June 30, 2013, the County's governmental funds reported combined ending fund balances of \$15,401,949, a decrease of \$895,885 in comparison with the prior year. This decrease resulted primarily from increases in deferred revenue (due from other government agencies for current services, but not received in a timely fashion.)
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,399,062, or 16.2% of total general fund expenditures, a 11.8% decrease from last year.
- Total long-term liabilities in the Solid Waste enterprise fund increased by \$664,958 during the fiscal year in spite of the loan repayments. The key factor in this increase was the increased closure/post closure costs.
- In September 2010 and September 2011, the Board of Supervisors authorized interest free inter-fund loans from General Reserves to the Solid Waste Enterprise fund in the totaling \$1,950,000 to be repaid over 10 years (final payments due 2021 and 2022). The solid waste enterprise fund has been making the payments as scheduled and the balance owing to the general fund is now \$1,440,000.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements is comprised of three parts: 1) Management Discussion and Analysis which provides the financial highlights; 2) The County's basic financial statements, which consist of the Government-Wide financial statements; the Fund financial statements and the Notes to the financial statements; 3) Required Supplementary Information.

A. Government-Wide Financial Statements

The government-wide financial statements provide an overview of the County's finances, in a manner similar to a private-sector business, that is, using the accrual basis of accounting. The financial statements demonstrate Mono County accountability by showing the extent to which it has met operating objectives efficiently and effectively, using all resources available, and whether it can continue to do so.

COUNTY OF MONO

Management Discussion and Analysis

The ***statement of net position*** presents information on all of the County'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 County is improving or deteriorating.

The ***statement of activities*** presents information on expenses and revenues to show how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported as soon as earned and expenses are reported as soon as incurred even though the related cash flows may not take place until future fiscal periods (e.g., uncollected taxes; earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activity of the County includes the Mono County Solid Waste Program, as well as the County's airport fund, cemetery fund and campground fund. In 2009 two internal service funds were created to develop self-sustaining funds for operational and replacement equipment. These two internal service funds, Motor Pool and Copier Pool, are considered governmental activities.

B. Fund Financial Statements

The fund financial statements provide evidence of accountability by demonstrating compliance with budgetary decisions made in public forum. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes stipulated by laws, regulations or policies. The funds of the County are divided into three categories: governmental, proprietary and fiduciary.

Governmental funds account for functions essentially alike 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.

The County maintains 242 individual governmental funds and 2 treasury funds. On the financial statements for governmental funds, information is presented separately for two major funds: the General Fund, and the Road Fund. Data from the other governmental funds are aggregated into a single column. However, data for each of these non-major governmental funds is provided in the combining statements located in the Required Supplemental Information section of this report.

Proprietary funds are of two types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste program, a major fund, as well as the airport, cemetery and campground funds. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motor pool and copier pool. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds statements provide the same type of information as the part of government-wide financial statements pertaining to business-type activities, only in more detail. The County's two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

COUNTY OF MONO

Management Discussion and Analysis

Fiduciary funds account for resources held for the benefit of parties outside the county government such as special districts and schools. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. In the fiduciary fund category, the County maintains several agencies' funds. The accounting used for fiduciary funds is similar to that used for proprietary funds.

C. Notes to the Financial Statements

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the information provided in the financial statements.

D. Required Supplementary Information

In addition to the basic financial statements, this report presents Required Supplementary Information that includes budgetary comparisons for the General Fund and the major funds and combining statements for the aggregated non-major funds.

III. FINANCIAL ANALYSIS COUNTY-WIDE

Prior year assets and liabilities are shown below for the purpose of providing comparative data on a countywide level. An off-book debt obligation with CalPERS was refinanced in 2012 creating a new-booked obligation. While the actual cost decreased because of paid interest rate savings, the debt is now recorded as a general fund liability wherein previously this was a cost blended in with the normal employer's PERS rate. While 2012-13 liabilities increased by 11.1% assets also increased by 8.3% for a net increase of total net position of 6.9%.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 30,670,628	\$ 27,361,261	\$ 2,241,246	\$ 1,750,112	\$ 32,911,874	\$ 29,111,373
Capital assets	35,334,453	35,626,076	7,164,237	4,912,037	42,498,690	40,538,113
Total Assets	<u>66,005,081</u>	<u>62,987,337</u>	<u>9,405,483</u>	<u>6,662,149</u>	<u>75,410,564</u>	<u>69,649,486</u>
Current and other liabilities	6,132,018	4,212,954	251,424	94,444	6,383,442	4,307,398
Long term liabilities	8,969,222	9,193,925	9,831,585	9,166,627	18,800,807	18,360,552
Total Liabilities	<u>15,101,240</u>	<u>13,406,879</u>	<u>10,083,009</u>	<u>9,261,071</u>	<u>25,184,249</u>	<u>22,667,950</u>
Net investment in capital assets	35,334,453	35,626,076	7,030,904	4,745,370	42,365,357	40,371,446
Restricted	11,657,175	12,731,077	--	--	11,657,175	12,731,077
Unrestricted	3,912,213	1,223,305	(7,708,430)	(7,344,292)	(3,796,217)	(6,120,987)
Total Net Position	<u>50,903,841</u>	<u>49,580,458</u>	<u>(677,526)</u>	<u>(2,598,922)</u>	<u>50,226,315</u>	<u>46,981,536</u>
Total Liabilities and Net Position	<u>\$ 66,005,081</u>	<u>\$ 62,987,337</u>	<u>\$ 9,405,483</u>	<u>\$ 6,662,149</u>	<u>\$ 75,410,564</u>	<u>\$ 69,649,486</u>

Net investment in capital assets reflects the County's investment in capital assets (i.e. its land, structures and improvements, infrastructure and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

COUNTY OF MONO

Management Discussion and Analysis

Restricted net position represent resources that are subject to external restrictions on how they may be used.

Total governmental unrestricted net position represent 7.69% of the total governmental net position and may be used to meet the County's ongoing obligations to citizens and creditors.

The following table presents the activities that accounted for the changes in net position.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Program revenues:</u>						
Fees, Fines & Charges for Services	\$ 6,139,365	\$ 6,806,487	\$ 2,692,214	\$ 2,334,952	\$ 8,831,579	\$ 9,141,439
Operating grants	21,557,737	18,387,149	2,269,348	127,426	23,827,085	18,514,575
Capital grants	174,680	56,398	-	-	174,680	56,398
<u>General revenues:</u>						
Property taxes	18,598,557	18,405,802	-	-	18,598,557	18,405,802
Sales and use taxes	518,192	443,278	-	-	518,192	443,278
Other taxes	2,763,087	2,831,321	-	-	2,763,087	2,831,321
Other revenue	62,478	54,692	47,871	49,953	110,349	104,645
Interest/Investment earnings	316,780	149,740	28,732	30,165	345,512	179,905
Total Revenues	<u>50,130,876</u>	<u>47,134,867</u>	<u>5,038,165</u>	<u>2,542,496</u>	<u>55,169,041</u>	<u>49,677,363</u>
<u>Expenses:</u>						
General government	6,883,498	5,919,051	-	-	6,883,498	5,919,051
Public protection	19,721,152	21,095,032	-	-	19,721,152	21,095,032
Public ways and facilities	8,026,282	8,935,873	-	-	8,026,282	8,935,873
Health and Sanitation	9,742,625	9,689,971	-	-	9,742,625	9,689,971
Public assistance	3,970,541	3,952,550	-	-	3,970,541	3,952,550
Education	37,758	37,408	-	-	37,758	37,408
Culture and recreation	160,349	177,570	-	-	160,349	177,570
Interest and fiscal charges	171,063	155,183	-	-	171,063	155,183
Solid Waste Landfill	-	-	2,860,020	2,114,892	2,860,020	2,114,892
Airport	-	-	250,328	83,109	250,328	83,109
Cemeteries	-	-	75,816	2,347	75,816	2,347
Campgrounds	-	-	24,830	26,738	24,830	26,738
Total Expenses	<u>48,713,268</u>	<u>49,962,638</u>	<u>3,210,994</u>	<u>2,227,086</u>	<u>51,924,262</u>	<u>52,189,724</u>
Change in net position before transfers	1,417,608	(2,827,771)	1,827,171	315,410	3,244,779	(2,512,361)
Transfers	(94,225)	(27,666)	94,225	27,666	-	-
position	<u>1,323,383</u>	<u>(2,855,437)</u>	<u>1,921,396</u>	<u>343,076</u>	<u>3,244,779</u>	<u>(2,512,361)</u>
Net position, beginning	<u>49,580,458</u>	<u>52,435,895</u>	<u>(2,598,922)</u>	<u>(2,941,998)</u>	<u>46,981,536</u>	<u>49,493,897</u>
Net position, ending	<u>\$ 50,903,841</u>	<u>\$ 49,580,458</u>	<u>\$ (677,526)</u>	<u>\$ (2,598,922)</u>	<u>\$ 50,226,315</u>	<u>\$ 46,981,536</u>

COUNTY OF MONO

Management Discussion and Analysis

The following are highlights of significant factors that affected the governmental and business activities and contributed to the increase in net position:

- Capital assets for governmental activities countywide decreased by \$291,623 (0.82%) in fiscal year 2012-13 net of depreciation. Depreciation for 2012-13 was \$3,910,810. Details of these changes in assets and depreciation can be found in Note 4 of the financial statements.

IV. FINANCIAL ANALYSIS OF FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements.

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

At June 30, 2013, the County's governmental funds reported combined ending fund balances of \$15,401,949, a decrease of \$895,885 (-5.5%) in comparison with the prior year. The decrease is a result of the decrease of other financing sources. Approximately 35.44% of the total governmental fund balance \$5,458,121 constitutes unassigned fund balance, which may be used to meet the County's ongoing obligations to citizens and creditors. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has been termed non-spendable: 1) to reflect inventories and the amount due from other funds that are long-term in nature and thus do not represent available spendable resources, 2) to liquidate contractual commitments of the prior period and 3) to provide fund for any type of disaster. In addition, funds may be non-spendable to meet general obligations because the terms of the revenue/funds may be either restricted, committed or assigned by Board of Supervisors.

The general fund is the main operating fund of the County. At June 30, 2013, unassigned fund balance of the general fund was \$6,399,062 while total fund balance reached \$10,933,578. As measures of the general fund's liquidity, it is useful to note that unassigned fund balance represents 16.23% of total fund expenditures, while total fund balance represents 27.73% of that same amount.

The Road fund had a restricted fund balance of (\$763,963) (restricted to road uses), while the total fund balance reached (\$418,463) this year. These decreases over the prior year were caused by revenue due from other governmental agencies, but not received in a timely manner.

Other Governmental fund balance reflects a consolidated fund balance of \$4,886,834. The unassigned fund balance of negative \$176,978 reflects delays in funding reimbursement for expenditure driven programs once the expenditures have been made. The general fund covers this deficit while waiting for reimbursement.

Revenues for government functions totaled approximately \$48,521,668 for fiscal year 2012-13, which represents a decrease of 2.61% from fiscal year 2011-12. The greatest single decrease in revenues was from intergovernmental revenues, which comprises 41.98% of total revenues, followed by charges for services. While charges for services constitutes only 8.06% of total revenues, the County received the second largest hit of (\$754,469) in revenue.

The following table presents the revenues from various sources as well as increases or decreases from the prior year in the governmental funds.

COUNTY OF MONO

Management Discussion and Analysis

Revenues Classified by Source - Governmental Funds

Revenue sources	FY 2013		FY 2012		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 21,879,836	45.09%	\$ 21,680,401	43.51%	\$ 199,435	0.92%
Licenses and permits	601,613	1.24%	695,043	1.40%	(93,430)	-13.44%
Fines, forfeitures & penalties	909,574	1.87%	1,049,612	2.11%	(140,038)	-13.34%
Use of money & property	309,255	0.64%	142,026	0.29%	167,229	117.75%
Intergovernmental	20,370,593	41.98%	21,149,018	42.45%	(778,425)	-3.68%
Charges for services	3,909,227	8.06%	4,663,696	9.36%	(754,469)	-16.18%
Other	541,570	1.12%	443,274	0.89%	98,296	22.17%
Total	\$ 48,521,668	100.00%	\$ 49,823,070	100.00%	\$(1,301,402)	-2.61%

Significant changes for major revenue sources are explained below.

- Taxes – Tax revenues covers a multitude of taxes including sales taxes, transient occupancy taxes and property taxes. These taxes suffered from economic turn-down, but Mono County turned the corner with a very modest increase of .92%. Mono County falls behind the general trend of the state by about 18 months and as Mono County relies on tourism to bring in sales tax and transient occupancy taxes, those numbers fell dramatically in recent years, but now have seemed to stabilize.
- Fines, forfeitures and penalties – Mono County fines decreased. Many of the fines, forfeitures and penalties are generated by visiting tourists. This decrease is due to decreases in fines and penalties assessed primarily due by the decrease in tourism.
- Licenses and Permits – the economy is seeing a turn for the better in the rest of the state; however this has not yet translated into increases in this area. In fact, the County saw 13.44% decrease in revenues.
- Charges for Services – there was a 16.18% decrease in charges for services. With the decrease in licenses and permits, the planning and legal services that generally accompany the building trade were also down.
- Use of money and property – While interest rates continue to be down, property rentals were up thus showing an increase in this category.
- Intergovernmental Revenues decreased in part because both the state and federal governments are reducing payments to Counties for various mandated services.

COUNTY OF MONO

Management Discussion and Analysis

The following table presents expenditures by function compared to prior year's amounts in the governmental funds.

Expenditures Classified by Function - Governmental Funds

	FY 2013		FY 2012		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 6,525,916	13.25%	\$ 6,357,990	12.05%	\$ 167,926	2.64%
Public protection	19,632,037	39.86%	25,628,490	48.57%	(5,996,453)	-23.40%
Public ways and facilities	8,220,412	16.69%	6,490,026	12.30%	1,730,386	26.66%
Health and sanitation	9,795,300	19.89%	9,658,385	18.30%	136,915	1.42%
Public assistance	4,006,049	8.13%	3,964,440	7.51%	41,609	1.05%
Education	37,758	0.08%	37,408	0.07%	350	0.94%
Culture and recreation	13,930	0.03%	39,889	0.08%	(25,959)	-65.08%
Debt service						
Principal	502,100	1.02%	157,200	0.30%	344,900	219.40%
Interest	172,795	0.35%	139,511	0.26%	33,284	23.86%
Capital outlay	346,890	0.70%	296,857	0.56%	50,033	16.85%
Total Expenditures	<u>\$49,253,187</u>	<u>100.00%</u>	<u>\$52,770,196</u>	<u>100.00%</u>	<u>\$(3,517,009)</u>	<u>-6.66%</u>

Significant changes for major functions are explained below.

- General government – \$167,926 increase in expenditures resulted mainly to sick and vacation leave payouts to retiring employees.
- Public Protection – \$5,996,453 decrease in expenditures, resulted mainly as a result of the PERS Sidefund refunding. As the PERS Sidefund was previously not on the books as it was integrated into the employer's contribution rate, the payoff of that sidefund created a 2012 one-time current year increase in expenditures.
- Public ways and facilities – Many road and transportation projects are grant funded. There was a 26.66% increase as the County received grants to upgrade County airports.
- Debt Service was a new category for 2011-12. The County refunded the PERS Sidefund late in fiscal year 2012 so that interest and principle repayments covered only 4-1/2 months. Fiscal year 2013 saw the first full year of interest and principal payments thus explaining the large percentage change.
- Public assistance – FY 2012-13 saw a modest increase in Public Assistance expenditures in the amount of \$41,609. Public assistance can fluctuate widely depending upon the need in any particular year. While there are normal salary and benefit increases as in all departments, the bulk of expenditures are reflected in the needs of the community at any given time and good management practices.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. These funds include the Mono County Solid Waste Program, a major program, as well as the County's airport fund, cemetery fund and campground fund; and two internal service fund which are presented in aggregate: Motor Pool and Copier Pool. Factors affecting the financial results of these funds were discussed earlier in the business-type activities of Mono County as they were budgeted for within the General fund.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The Board adopted their initial budget in September of 2012 after much hard work and public hearings. This initial adopted budget allowed for revenues of \$29,881,440 and expenditures of \$44,804,003. A few minor changes were made throughout the year, but the major changes came at mid-year. Between the initial budget and the final budget, revenues increased by \$10,808,065 and expenditures decreased by

COUNTY OF MONO

Management Discussion and Analysis

\$202,188. The differences between revenues and expenditures in both the original budget and the final was filled by other financing sources, operating transfers in and prior year fund balance carry over. By mid-year it was obvious that revenues would be coming in higher than initially estimated thus the adjustments were made. These increases were derived mainly in increased taxes and contribution from other government agencies. Expenditures also were reduced, more as a token through deferring purchases.

During the year, actual General Fund revenues shorted final budgetary estimates by \$1,668,741 namely because revenues from other government agencies did not materialize as expected. Actual expenditures were less than budgetary estimates by \$5,175,775. The net effect of both under-realization of revenues and under-utilization of appropriations resulted in a favorable budgetary variance of \$5,387,478 once other sources were considered, leaving a positive budgetary fund balance going into FY 2013-14.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County's investment in capital assets for its Governmental Activities as of June 30, 2013, amounts to \$35,334,453 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment infrastructure and construction in progress. The total decrease in the County's governmental net investment in capital assets for the current period was 0.82% (net of accumulated depreciation). More detailed discussion can be found in Note 4 in the Notes to the Financial Statements section in this report. The current year depreciation is \$3,910,810. Business type function assets increased \$2,252,200 to \$7,164,237 with current year depreciation amounting to \$195,842.

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 6,678,830	\$ 6,676,450	\$ 233,335	\$ 233,335	\$ 6,912,165	\$ 6,909,785
Construction in progress	2,571,905	528,566	2,687,530	239,488	5,259,435	768,054
Infrastructure	11,286,161	13,142,812	-	-	11,286,161	13,142,812
Structures & improvements	11,004,593	11,188,121	4,222,288	4,414,038	15,226,881	15,602,159
Equipment	3,551,087	3,642,928	21,084	25,176	3,572,171	3,668,104
Intangibles	241,877	447,199	-	-	241,877	447,199
Total	<u>\$ 35,334,453</u>	<u>\$ 35,626,076</u>	<u>\$ 7,164,237</u>	<u>\$ 4,912,037</u>	<u>\$ 42,498,690</u>	<u>\$ 40,538,113</u>

The County elected to completely report its general infrastructure assets beginning July 1, 2003, and hired a consultant to value the infrastructure. The County has maintained and updated its initial valuation as necessary to keep current. Further details can be found in Note 4 of the financial statements. Important to note, assets are valued at their acquisition cost and not as a market value or replacement cost.

B. Long-Term Debt

At June 30, 2013, the County Governmental activities had total long-term liabilities outstanding of \$8,969,222, consisting of \$3,348,672 in compensated absences, \$1,666,950 in potential claims liability, and \$3,953,600 in 2012 PERS Sidefund Refunding. The Business type activities had \$3,024,600 in 2011 COP Refunding payable, \$133,333 in loans payable and \$6,620,787 in landfill post-closure costs. Additional information on the County's long-term liabilities can be found in Notes 5 and 6 of the financial statements.

COUNTY OF MONO

Management Discussion and Analysis

VII. ECONOMIC FACTORS AND 2013-14 BUDGET AND RATES

- The unemployment rate for Mono County is as of November 2013 is 8.6 percent. This rate was not adjusted for seasonal employment. This compares similar to the state's average unemployment rate of 8.3 percent in November 2013, but above the United States unemployment rate, at 7.0 percent for the same period.
- Property tax values are expected to remain relatively flat in 2013-14. Since the first major declines over the past 5 years since 1978, property values have somewhat stabilized. There is very little new construction and the Assessor continues to monitor Prop 8 values. There should be fewer decreases and slow re-growth depending on the economy as a whole within the state and nation.
- Sales tax and vehicle license fee in-lieu revenues as a result of funding swaps for the repayment of State debt are expected to remain stable; however actual property tax receipts are expected remain relatively flat based upon the overall economy.
- The 2013-14 budget projects a 10% increase in health insurance costs (6 months) included in benefits as a result of the escalating health costs nationwide and a slight increase in vision premiums (4.9%) for 12 months. MOU negotiations will continue into 2013-14 employee participation in health benefits anticipated as well as salary freezes.

These factors plus others were considered in preparing the County's budget for the 2013-14 fiscal year.

During the current fiscal year, the unassigned general fund monies decreased to \$5,458,121. County reserves increased slightly in 2012-13 by \$128,099. The County added \$110,966 to reserves during 2012-13 fiscal year and expects to maintain those reserves in 2013-14. Approximately \$305,000 is scheduled for contingencies in 2013-14.

VIII. REQUEST FOR INFORMATION

This financial report is designed to demonstrate accountability by the Mono County government by providing both a long-term and near-term views of the County's finances. Questions or comments regarding any of the information presented in this report or requests for additional financial information should be addressed to:

Director of Finance
County of Mono
P.O. Box 556
Bridgeport, CA 93517-0556
(760) 932-5490

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

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COUNTY OF MONO

Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
ASSETS			
Cash and investments	\$ 12,209,119	\$ 674,945	\$ 12,884,064
Cash with fiscal agent	--	74,223	74,223
Restricted cash	--	2,666,171	2,666,171
Accounts receivable	1,153,473	233,378	1,386,851
Due from other governments	4,582,723	30,417	4,613,140
Taxes receivable	803,052	--	803,052
Deposits with others	3,947,508	--	3,947,508
Prepaid expenses	88,151	--	88,151
Inventories	346,766	2,112	348,878
Net pension asset	4,433,183	--	4,433,183
Other asset - OPEB	1,666,653	--	1,666,653
Internal balances	1,440,000	(1,440,000)	--
Capital assets:			
Nondepreciable	9,250,735	2,920,865	12,171,600
Depreciable, net	26,083,718	4,243,372	30,327,090
Total Assets	<u>66,005,081</u>	<u>9,405,483</u>	<u>75,410,564</u>
LIABILITIES			
Accounts payable	2,296,343	165,267	2,461,610
Retention payable	90,902	--	90,902
Salaries and benefits payable	2,568,441	57,699	2,626,140
Interest payable	13,940	21,625	35,565
Deposits from others	4,096	--	4,096
Unearned revenue	1,158,296	6,833	1,165,129
Long-Term Liabilities:			
Portion due or payable within one year:			
Refunded certificates of participation	--	199,400	199,400
Bonds payable	548,000	--	548,000
Loan payable	--	33,333	33,333
Liability for compensated absences	669,734	10,573	680,307
Claims liability	1,666,950	--	1,666,950
Portion due or payable after one year:			
Refunded certificates of participation	--	2,825,200	2,825,200
Bonds payable	3,405,600	--	3,405,600
Loan payable	--	100,000	100,000
Liability for compensated absences	2,678,938	42,292	2,721,230
Closure/post-closure liability	--	6,620,787	6,620,787
Total Liabilities	<u>15,101,240</u>	<u>10,083,009</u>	<u>25,184,249</u>
NET POSITION			
Net investment in capital assets	35,334,453	7,030,904	42,365,357
Restricted for:			
Legally segregated taxes, grants and fees	4,722,105	--	4,722,105
Community development	323,479	--	323,479
General County programs	2,132,296	--	2,132,296
Health services	3,091,366	--	3,091,366
County service areas	1,387,929	--	1,387,929
Unrestricted	3,912,213	(7,708,430)	(3,796,217)
Total Net Position	<u>\$ 50,903,841</u>	<u>\$ (677,526)</u>	<u>\$ 50,226,315</u>

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

COUNTY OF MONO

Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Program Revenues				
	Direct Expenses	Indirect Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General government	\$ 12,164,116	\$ (5,280,618)	\$ 2,674,542	\$ 5,082,590	\$ 174,680
Public protection	16,571,324	3,149,828	449,899	4,192,520	--
Public ways and facilities	7,303,535	722,747	1,004,117	5,010,521	--
Health and sanitation	8,827,154	915,471	1,901,792	4,465,157	--
Public assistance	3,477,969	492,572	109,015	2,805,347	--
Education	37,758	--	--	1,602	--
Recreation and culture	160,349	--	--	--	--
Debt service - interest	171,063	--	--	--	--
Total Governmental Activities	48,713,268	--	6,139,365	21,557,737	174,680
Business-Type Activities:					
Solid Waste	2,860,020	--	2,646,536	23,243	--
Airport	250,328	--	11,635	2,246,105	--
Cemeteries	75,816	--	456	--	--
Campgrounds	24,830	--	33,587	--	--
Total Business-type Activities	3,210,994	--	2,692,214	2,269,348	--
Total Mono County	\$ 51,924,262	\$ --	\$ 8,831,579	\$ 23,827,085	\$ 174,680

General Revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Transient occupancy tax
- Other

Unrestricted interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 1,048,314	\$ --	\$ 1,048,314
(15,078,733)	--	(15,078,733)
(2,011,644)	--	(2,011,644)
(3,375,676)	--	(3,375,676)
(1,056,179)	--	(1,056,179)
(36,156)	--	(36,156)
(160,349)	--	(160,349)
(171,063)	--	(171,063)
(20,841,486)	--	(20,841,486)
--	(190,241)	(190,241)
--	2,007,412	2,007,412
--	(75,360)	(75,360)
--	8,757	8,757
--	1,750,568	1,750,568
(20,841,486)	1,750,568	(19,090,918)
18,598,557	--	18,598,557
518,192	--	518,192
2,413,673	--	2,413,673
349,414	--	349,414
316,780	28,732	345,512
62,478	47,871	110,349
(94,225)	94,225	--
22,164,869	170,828	22,335,697
1,323,383	1,921,396	3,244,779
49,580,458	(2,598,922)	46,981,536
\$ 50,903,841	\$ (677,526)	\$ 50,226,315

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

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**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

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COUNTY OF MONO

Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Road</u>	<u>Other Governmental</u>	<u>Total</u>
<u>Assets</u>				
Cash and investments	\$ 6,339,468	\$ --	\$ 5,034,433	\$11,373,901
Accounts receivable	1,143,092	10,381	--	1,153,473
Due from other governments	1,654,763	2,651,501	276,459	4,582,723
Taxes receivable	803,052	--	--	803,052
Due from other funds	1,067,390	--	--	1,067,390
Deposits with others	3,947,508	--	--	3,947,508
Prepays	83,083	--	5,068	88,151
Inventories	1,266	345,500	--	346,766
Advances to other funds	1,440,000	--	--	1,440,000
Total Assets	<u>\$ 16,479,622</u>	<u>\$ 3,007,382</u>	<u>\$ 5,315,960</u>	<u>\$24,802,964</u>
<u>Liabilities</u>				
Accounts payable	\$ 752,585	\$ 1,517,731	\$ 16,643	\$ 2,286,959
Retention payable	--	90,902	--	90,902
Salaries and benefits payable	2,327,124	216,025	25,292	2,568,441
Due to other funds	--	789,096	278,294	1,067,390
Deposits from others	--	--	4,096	4,096
Unearned revenue	1,158,296	--	--	1,158,296
Unavailable revenue	1,308,039	812,091	104,801	2,224,931
Total Liabilities	<u>5,546,044</u>	<u>3,425,845</u>	<u>429,126</u>	<u>9,401,015</u>
<u>Fund Balances</u>				
Nonspendable	1,524,349	345,500	5,068	1,874,917
Restricted	3,010,167	--	4,289,781	7,299,948
Assigned	--	--	768,963	768,963
Unassigned	6,399,062	(763,963)	(176,978)	5,458,121
Total Fund Balances	<u>10,933,578</u>	<u>(418,463)</u>	<u>4,886,834</u>	<u>15,401,949</u>
Total Liabilities and Fund Balances	<u>\$ 16,479,622</u>	<u>\$ 3,007,382</u>	<u>\$ 5,315,960</u>	<u>\$24,802,964</u>

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

COUNTY OF MONO

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2013

Fund Balance - total governmental funds (page 21)	\$ 15,401,949
Amounts reported for governmental activities in the statement of net position is different because:	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Net pension asset	4,433,183
Other post employment benefit asset	1,666,653
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	33,669,375
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	
	2,224,931
Internal service funds are used by the County to charge the cost of its motor pool and copier pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	2,490,912
Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	
	(13,940)
Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Bonds payable	(3,953,600)
Claims liability	(1,666,950)
Compensated absences	<u>(3,348,672)</u>
Net position of governmental activities (page 17)	<u><u>\$ 50,903,841</u></u>

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

COUNTY OF MONO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General</u>	<u>Road</u>	<u>Other Governmental</u>	<u>Total</u>
Revenues:				
Taxes	\$ 21,688,493	\$ --	\$ 191,343	\$ 21,879,836
Licenses and permits	596,333	5,280	--	601,613
Fines, forfeitures and penalties	711,190	50,202	148,182	909,574
Use of money and property	277,935	2,215	29,105	309,255
Intergovernmental	12,393,599	4,198,754	3,778,240	20,370,593
Charges for services	3,038,989	843,488	26,750	3,909,227
Other revenues	314,225	1,285	226,060	541,570
Total Revenues	<u>39,020,764</u>	<u>5,101,224</u>	<u>4,399,680</u>	<u>48,521,668</u>
Expenditures:				
Current:				
General government	6,291,771	--	234,145	6,525,916
Public protection	18,460,853	--	1,171,184	19,632,037
Public ways and facilities	1,052,357	7,094,955	73,100	8,220,412
Health and sanitation	9,611,503	--	183,797	9,795,300
Public assistance	3,957,868	--	48,181	4,006,049
Education	37,758	--	--	37,758
Recreation and culture	13,930	--	--	13,930
Debt service:				
Principal	--	--	502,100	502,100
Interest	--	--	172,795	172,795
Capital outlay	--	--	346,890	346,890
Total Expenditures	<u>39,426,040</u>	<u>7,094,955</u>	<u>2,732,192</u>	<u>49,253,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(405,276)</u>	<u>(1,993,731)</u>	<u>1,667,488</u>	<u>(731,519)</u>
Other Financing Sources (Uses):				
Transfers in	1,488,559	588,000	1,233,952	3,310,511
Transfers out	(1,936,453)	--	(1,550,014)	(3,486,467)
Sale of capital assets	11,590	--	--	11,590
Total Other Financing Sources (Uses)	<u>(436,304)</u>	<u>588,000</u>	<u>(316,062)</u>	<u>(164,366)</u>
Net Changes in Fund Balances	(841,580)	(1,405,731)	1,351,426	(895,885)
Fund Balances, Beginning of Year	<u>11,775,158</u>	<u>987,268</u>	<u>3,535,408</u>	<u>16,297,834</u>
Fund Balances, End of Year	<u>\$ 10,933,578</u>	<u>\$ (418,463)</u>	<u>\$ 4,886,834</u>	<u>\$ 15,401,949</u>

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

COUNTY OF MONO

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2013

Net change to fund balance - total governmental funds (page 23)	\$	(895,885)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 3,128,403	
Less: current year depreciation	<u>(3,157,401)</u>	(28,998)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		1,486,455
Long-term debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal retirements	<u>502,100</u>	502,100
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(131,200)	
Change in claims liability	(146,197)	
Change in net pension asset	(90,473)	
Change in accrued interest on long-term debt	<u>1,732</u>	(366,138)
Other post employment benefits are reported as an expenditure when contributions are made in the governmental funds, but are deferred assets for contributions made in excess of required amounts.		713,155
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.		<u>(87,306)</u>
Change in net position of governmental activities (page 18)	\$	<u><u>1,323,383</u></u>

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

COUNTY OF MONO

Statement of Fund Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
					Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 411,375	\$ 183,461	\$ 80,109	\$ 674,945	\$ 835,218
Cash with fiscal agent	74,223	--	--	74,223	--
Accounts receivable	230,056	390	2,932	233,378	--
Due from other governments	30,317	100	--	30,417	--
Inventory	--	2,112	--	2,112	--
Total Current Assets	<u>745,971</u>	<u>186,063</u>	<u>83,041</u>	<u>1,015,075</u>	<u>835,218</u>
Noncurrent Assets:					
Restricted cash in Treasury	2,666,171	--	--	2,666,171	--
Capital assets:					
Non-depreciable	--	2,920,865	--	2,920,865	--
Depreciable, net	<u>926,347</u>	<u>3,317,025</u>	<u>--</u>	<u>4,243,372</u>	<u>1,665,078</u>
Total Noncurrent Assets	<u>3,592,518</u>	<u>6,237,890</u>	<u>--</u>	<u>9,830,408</u>	<u>1,665,078</u>
Total Assets	<u>4,338,489</u>	<u>6,423,953</u>	<u>83,041</u>	<u>10,845,483</u>	<u>2,500,296</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	44,703	116,306	4,258	165,267	9,384
Salaries and benefits payable	57,699	--	--	57,699	--
Interest payable	21,625	--	--	21,625	--
Unearned Revenue	6,833	--	--	6,833	--
Refunded certificates of participation	199,400	--	--	199,400	--
Loan payable	33,333	--	--	33,333	--
Compensated absences	10,573	--	--	10,573	--
Total Current Liabilities	<u>374,166</u>	<u>116,306</u>	<u>4,258</u>	<u>494,730</u>	<u>9,384</u>
Noncurrent Liabilities:					
Advances from other funds	1,440,000	--	--	1,440,000	--
Refunded certificates of participation	2,825,200	--	--	2,825,200	--
Loan payable	100,000	--	--	100,000	--
Compensated absences	42,292	--	--	42,292	--
Closure and postclosure liability	6,620,787	--	--	6,620,787	--
Total Noncurrent Liabilities	<u>11,028,279</u>	<u>--</u>	<u>--</u>	<u>11,028,279</u>	<u>--</u>
Total Liabilities	<u>11,402,445</u>	<u>116,306</u>	<u>4,258</u>	<u>11,523,009</u>	<u>9,384</u>
NET POSITION					
Net investment in capital assets	793,014	6,237,890	--	7,030,904	1,665,078
Unrestricted	<u>(7,856,970)</u>	<u>69,757</u>	<u>78,783</u>	<u>(7,708,430)</u>	<u>825,834</u>
Total Net Position	<u>\$(7,063,956)</u>	<u>\$6,307,647</u>	<u>\$ 78,783</u>	<u>\$ (677,526)</u>	<u>\$ 2,490,912</u>

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

COUNTY OF MONO

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 2,646,536	\$ 11,635	\$ 34,043	\$ 713,840
Total Operating Revenues	<u>2,646,536</u>	<u>11,635</u>	<u>34,043</u>	<u>713,840</u>
Operating Expenses:				
Salaries and benefits	730,135	--	--	--
Services and supplies	1,038,464	89,518	100,646	257,000
Closure and postclosure costs	919,877	--	--	--
Depreciation and amortization	35,032	160,810	--	737,039
Total Operating Expenses	<u>2,723,508</u>	<u>250,328</u>	<u>100,646</u>	<u>994,039</u>
Operating Income (Loss)	<u>(76,972)</u>	<u>(238,693)</u>	<u>(66,603)</u>	<u>(280,199)</u>
Non-Operating Revenue (Expenses):				
Interest income	28,894	(1,318)	1,156	7,525
Interest expense	(136,512)	--	--	--
Intergovernmental	--	--	--	52,748
Operating grants	23,243	2,246,105	--	--
Miscellaneous	47,871	--	--	39,522
Gain on disposition of capital assets	--	--	--	11,367
Total Non-Operating Revenue (Expenses)	<u>(36,504)</u>	<u>2,244,787</u>	<u>1,156</u>	<u>111,162</u>
Income (Loss) Before Transfers	(113,476)	2,006,094	(65,447)	(169,037)
Transfers in	<u>69,225</u>	<u>--</u>	<u>25,000</u>	<u>81,731</u>
Change in Net Position	(44,251)	2,006,094	(40,447)	(87,306)
Net Position - Beginning of Year, restated	<u>(7,019,705)</u>	<u>4,301,553</u>	<u>119,230</u>	<u>2,578,218</u>
Net Position - End of Year	<u><u>\$ (7,063,956)</u></u>	<u><u>\$ 6,307,647</u></u>	<u><u>\$ 78,783</u></u>	<u><u>\$ 2,490,912</u></u>

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

COUNTY OF MONO

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
					Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from customers	\$ 2,613,771	\$ 11,245	\$ 32,672	\$ 2,657,688	\$ --
Cash receipts from internal fund services provided	--	--	--	--	713,840
Cash paid to suppliers for goods and services	(993,811)	(89,518)	(96,388)	(1,179,717)	(253,007)
Cash paid to employees for services	(776,267)	--	--	(776,267)	--
Net Cash Provided (Used) by Operating Activities	843,693	(78,273)	(63,716)	701,704	460,833
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	69,225	--	--	69,225	--
Due to other funds	--	--	25,000	25,000	93,098
Interfund advance from the General Fund	(195,000)	--	--	(195,000)	--
Miscellaneous	47,871	--	--	47,871	39,522
Operating grants	23,243	2,246,105	--	2,269,348	52,748
Repayment of debt not attributable to capital purposes	(189,000)	--	--	(189,000)	--
Interest payments and related fiscal charges	(137,864)	--	--	(137,864)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(381,525)	2,246,105	25,000	1,889,580	185,368
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	--	999	--	999	--
Payments related to the acquisition of capital assets	--	(2,331,907)	--	(2,331,907)	(499,350)
Principal repayments related to capital purposes	(33,334)	--	--	(33,334)	--
Sale of capital assets	--	--	--	--	25,434
Net Cash Provided (Used) by Capital and Related Financing Activities	(33,334)	(2,330,908)	--	(2,364,242)	(473,916)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (paid)	28,894	(1,318)	1,156	28,732	7,525
Net Cash Provided (Used) by Investing Activities	28,894	(1,318)	1,156	28,732	7,525
Net Increase (Decrease) in Cash and Cash Equivalents	457,728	(164,394)	(37,560)	255,774	179,810
Cash and Cash Equivalents, Beginning of Year	2,694,041	347,855	117,669	3,159,565	655,408
Cash and Cash Equivalents, End of Year	\$ 3,151,769	\$ 183,461	\$ 80,109	\$ 3,415,339	\$ 835,218
Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Position					
Cash and investments	411,375	183,461	80,109	\$ 674,945	835,218
Cash with fiscal agent	74,223	--	--	74,223	--
Restricted cash in Treasury	2,666,171	--	--	2,666,171	--
Total Cash and Cash Equivalents	\$ 3,151,769	\$ 183,461	\$ 80,109	\$ 3,415,339	\$ 835,218

continued

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

COUNTY OF MONO

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
					Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (76,972)	\$ (238,693)	\$ (66,603)	\$ (382,268)	\$ (280,199)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	35,032	160,810	--	195,842	737,039
Changes in assets and liabilities:					
(Increase) decrease in:					
Receivables	(39,598)	(390)	(1,371)	(41,359)	--
Increase (decrease) in:					
Accounts payable	44,654	--	4,258	48,912	3,993
Accrued salaries and benefits	(13,548)	--	--	(13,548)	--
Unavailable revenue	6,833	--	--	6,833	--
Closure and postclosure liability	919,876	--	--	919,876	--
Liability for compensated absences	(32,584)	--	--	(32,584)	--
Net Cash Provided (Used) by Operating Activities	\$ 843,693	\$ (78,273)	\$ (63,716)	\$ 701,704	\$ 460,833

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

COUNTY OF MONO

Statement of Fiduciary Net Position
June 30, 2013

	Investment Trust Fund	Agency Funds
<u>Assets</u>		
Pooled cash and investments	\$ 46,972,192	\$ 4,203,567
Total Assets	<u>\$ 46,972,192</u>	<u>\$ 4,203,567</u>
<u>Liabilities</u>		
Agency funds held for others	\$ --	\$ 4,203,567
Total Liabilities	<u>--</u>	<u>4,203,567</u>
<u>Net Position</u>		
Net position held in trust for investment pool participants	<u>46,972,192</u>	<u>--</u>
Total Net Position	<u>\$ 46,972,192</u>	<u>\$ --</u>

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

COUNTY OF MONO

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2013

	Investment Trust Fund
<u>Additions</u>	
Contributions to pooled investments	\$ 56,167,004
Net investment income:	
Investment income	<u>486,585</u>
Total Additions	<u>56,653,589</u>
<u>Deductions</u>	
Distributions from pooled investments	<u>56,462,669</u>
Total Deductions	<u>56,462,669</u>
Change in net position	190,920
Net Position - Beginning of Year	<u>46,781,272</u>
Net Position - End of Year	<u><u>\$ 46,972,192</u></u>

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

NOTES TO FINANCIAL STATEMENTS

The notes provided in the financial section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a Summary of Significant Accounting Policies for the County and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes provide significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **The Reporting Entity**

The County operates under an Administrator-Board of Supervisors form of government and provides the following services: public protection, public ways and facilities, health and sanitation, public assistance, education, culture and recreation, and general services.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14 and amended by GASB Statement No. 39 and No. 61.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year end.

Blended Component Units

There are three entities which meet the criteria of a blended component unit. These dependent districts are Community Service Districts whose Advisory Boards are governed by the Board of Supervisors. The affected districts are Community Service Area #1 – Crowley; Community Service Area #5 – Bridgeport; and Community Service Area #2 – Benton.

Discretely Presented Component Units

There are no entities which meet the criteria of a discretely presented component unit.

B. **Basis of Presentation**

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Government-Wide Financial Statements (continued)

When both restricted and unrestricted net position are available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

- The *Mono County Solid Waste Fund* is used to account for revenues and expenses necessary to carry out basic governmental activities of the County that relate to sanitation and are not accounted for through other funds.
- The *Airport Fund* is used to account for the activity of the airport.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's copier pool which purchases and maintains copy machines on a cost reimbursement basis and the County's motor pool which purchases and maintains vehicles on a cost reimbursement basis.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Fund Financial Statements (continued)

These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

- The *Agency Funds* account for assets held by the County as an agent for various local governments.

C. **Basis of Accounting**

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except agency funds which have no measurement focus.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

D. **Cash and Investments**

The County pools cash and investments with the County Treasurer. Investments are stated at amortized cost.

For purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less and pooled cash to be cash equivalents.

In accordance with authorized investment laws, the County Treasurer invests in higher quality securities including various variable rate securities, such as federal agency notes, negotiable certificates of deposit and highly rated corporate medium-term note floating rate instruments. These securities are reported at cost on the balance sheet. They are included in the aggregate total for U.S. government agencies, negotiable certificates of deposit and corporate notes in Note 3 on Cash and Investments.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. Restricted Cash

Restricted cash consists of pooled cash and investments held to finance closure and postclosure costs as required by state and federal laws and regulations.

F. Inventory

Inventory is valued at cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by a corresponding nonspendable portion of fund balance to indicate that they do not constitute “available spendable resources” even though they are a component of net current assets.

G. Receivables

The County uses a 60-day time period for recognizing accruals in the governmental funds. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Structures and improvements	20 to 50 years
Equipment	3 to 15 years

The County has five networks of infrastructure assets – roads, water/sewer, lighting, drainage, and flood control.

I. Unavailable Revenue and Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables not considered available to liquidate liabilities of the current period. Governmental and enterprise funds report unearned revenue in connection with resources that have been received, but not yet earned.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. **Compensated Absences**

Under the terms of union contracts, County employees are granted vacation and sick leave in varying amounts depending upon their respective bargaining unit. In the event of termination or death, an employee, or the employee's estate, is compensated for 100 percent of accumulated vacation. In the event of an employee's death or retirement, an employee, or the employee's estate, is compensated for accumulated sick leave in varying amounts from zero percent to 100 percent depending on the employee's bargaining unit and length of service. Comparing current and prior year balances with their respective payouts, it has been determined that approximately 20% of the accumulated balance is paid out the following year.

K. **Interfund Transactions**

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

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

L. **Property Tax Revenue**

The County's property taxes are levied on July 1 (unsecured roll) and October 1 (secured roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County.

Property is reappraised from the 1975-76 base year value to current full value upon either (1) a change in ownership or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is reappraised).

Taxes are due in one installment (unsecured roll) by July 1 and are subject to late payment penalties if paid after August 31, or two installments (secured roll) due November 1 and February 1, and again subject to late payment penalties if paid after December 10 and April 10, respectively.

Property taxes are accrued as receivables in the period when they are levied. Property tax revenues are recognized when they become available. "Available" means due, or past due, and receivable within the current period and collected or expected to be collected soon enough thereafter to be used to pay liabilities for the current period. This period was 90 days from the end of the fiscal year.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

N. Net Position/Fund Balance

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

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

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2013, fund balances for governmental funds consist of the following categories:

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.
- *Committed Fund Balance* – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- *Assigned Fund Balance* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purposes.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

N. **Net Position/Fund Balance** (continued)

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

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

O. **Estimates**

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

NOTE 2: **DEFICIT FUND EQUITY**

The following funds had deficit fund balances/net position at June 30, 2013, as follows:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds:	
Road Fund	\$ 418,463
Tobacco	8,410
Bioterrorism	142,280
Geothermal	22,000
Enterprise Funds:	
Solid Waste	7,063,956

These deficits are anticipated to be recovered through future years’ revenues.

NOTE 3: **CASH AND INVESTMENTS**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

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

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (continued)

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

At June 30, 2013, total County cash and investments were as follows:

Cash on hand	\$ 10,264
Imprest cash	770
Deposits in bank	<u>4,359,025</u>
 Total	 <u>4,370,059</u>
 Investments:	
In Treasurer's pool	62,355,935
With fiscal agents external to the pool	<u>74,223</u>
	<u>62,430,158</u>
 Total Cash and Investments	 <u>\$ 66,800,217</u>

Cash and investments were reported in the Basic Financial Statements as follows:

Governmental activities	\$ 12,209,119
Business-type activities	3,415,339
Investment trust fund	46,972,192
Agency funds	<u>4,203,567</u>
 Total	 <u>\$ 66,800,217</u>

Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Federal Agency Obligations	5 years	None	None
U.S. Treasury Bills	5 years	None	None
Local Agency Bonds and Obligations	5 years	30%	25%
Banker's Acceptances	180 days	10%	25%
Commercial Paper - Selected Agencies	270 days	10%	25%
Commercial Paper - Other Agencies	270 days	10%	25%
Negotiable Certificates of Deposit	5 years	10%	25%
Non-negotiable Certificates of Deposit	5 years	10%	25%
Repurchase Agreements	1 year	10%	25%
Medium-Term Corporate Notes	5 years	30%	25%
Money Market Mutual Funds	N/A	10%	25%
Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program	N/A	10%	25%

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (continued)

Investments (continued)

At June 30, 2013, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Fair Value</u>	<u>Cost</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
Federal Agency Issues - Coupon	.50% - 1.25%	3/20/16 - 6/4/18	\$ 26,000,000	\$ 25,576,500	\$ 25,980,249	4.21
Medium Term Corporate Bonds	1.0% - 6.2%	7/19/13 - 5/3/18	12,395,000	12,514,282	12,545,586	3.04
CD's	.75% - 1.25%	9/19/14 - 9/19/16	2,250,000	2,255,848	2,250,000	0.62
Municipal Bonds	.80% - 5.09%	9/1/13 - 9/1/17	7,040,000	7,243,462	7,211,986	2.82
LAIF	Variable	On Demand	14,368,114	14,368,114	14,368,114	0.00
Total investments in investment pool			<u>\$ 62,053,114</u>	<u>\$ 61,958,206</u>	<u>\$ 62,355,935</u>	<u>2.68</u>
Investments outside Investment Pool						
Primary Government:						
<i>Cash held with fiscal agent</i>						
Money Market Mutual Funds	Variable	On Demand	<u>\$ 74,223</u>	<u>\$ 74,223</u>	<u>\$ 74,223</u>	

The fair value of the investments is obtained by the County's safekeeping agent. At June 30, 2013, the difference between the cost and fair value of cash and investments was not material (fair value was 99.36% of carrying value). The County is reporting its cash and investments at cost.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to two years or less in accordance with its investment policy. At June 30, 2013, the County's weighted average exceeded its policy by 0.68 year. This has been corrected and as of the last quarterly report (December 31, 2013) the WAM was at 1.75 years.

Credit Risk

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

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2013.

	<u>Quality Rating Range</u>	<u>% of Portfolio</u>
Municipal Bonds	AAA	11.69%
Federal Agency Issues - Coupon	AAA to AA+	41.28%
Local Agency Investment Fund (LAIF)	Unrated	23.19%
Negotiable CDs	Unrated	3.64%
Medium Term Corporate Notes	AAA to A1	<u>20.20%</u>
Total		<u>100.00%</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 3: **CASH AND INVESTMENTS** (continued)

Concentration of Credit Risk (continued)

At June 30, 2013, the County had the following investments in any one issuer that represent 5 percent or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Federal National Mortgage Association	32.06%	\$ 19,988,941
Local Agency Investment Fund	23.04%	<u>14,368,114</u>
Total		<u><u>\$ 34,357,055</u></u>

Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited in LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer's Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2013, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$14,368,114, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$58.8 billion. Of that amount, 1.96% was invested in structured notes and asset-backed securities with the remaining 98.04% invested in other non-derivative financial products.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 3: **CASH AND INVESTMENTS** (continued)

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2013:

Statement of Net Position

Net position held for pool participants	<u>\$ 66,725,994</u>
Equity of external pool participants	\$ 46,972,192
Equity of internal pool participants	<u>19,753,802</u>
Total net position	<u>\$ 66,725,994</u>

Statement of Changes in Net Position

Net position at July 1, 2012	64,560,890
Net change in investments by pool participants	<u>2,165,104</u>
Net position at June 30, 2013	<u>\$ 66,725,994</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2013
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 6,676,450	\$ 2,380	\$ --	\$ --	\$ 6,678,830
Construction in progress	528,566	2,369,594	(3,439)	(322,816)	2,571,905
Total capital assets, not being depreciated	<u>7,205,016</u>	<u>2,371,974</u>	<u>(3,439)</u>	<u>(322,816)</u>	<u>9,250,735</u>
Capital assets, being depreciated:					
Infrastructure	83,353,369	--	--	252,347	83,605,716
Structures and improvements	17,655,034	219,428	--	70,469	17,944,931
Equipment	16,412,860	1,049,137	(393,309)	--	17,068,688
Intangibles	1,128,116	14,421	--	--	1,142,537
Total capital assets, being depreciated	<u>118,549,379</u>	<u>1,282,986</u>	<u>(393,309)</u>	<u>322,816</u>	<u>119,761,872</u>
Less accumulated depreciation for:					
Infrastructure	(70,210,557)	(2,108,998)	--	--	(72,319,555)
Structures and improvements	(6,466,913)	(473,425)	--	--	(6,940,338)
Equipment	(12,769,932)	(1,108,644)	360,975	--	(13,517,601)
Intangibles	(680,917)	(219,743)	--	--	(900,660)
Total accumulated depreciation	<u>(90,128,319)</u>	<u>(3,910,810)</u>	<u>360,975</u>	<u>--</u>	<u>(93,678,154)</u>
Total capital assets, being depreciated, net	<u>28,421,060</u>	<u>(2,627,824)</u>	<u>(32,334)</u>	<u>322,816</u>	<u>26,083,718</u>
Governmental activities capital assets, net	<u>\$ 35,626,076</u>	<u>\$ (255,850)</u>	<u>\$ (35,773)</u>	<u>\$ --</u>	<u>\$ 35,334,453</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 233,335	\$ --	\$ --	\$ --	\$ 233,335
Construction in progress	239,488	2,448,042	--	--	2,687,530
Total capital assets, not being depreciated	<u>472,823</u>	<u>2,448,042</u>	<u>--</u>	<u>--</u>	<u>2,920,865</u>
Capital assets, being depreciated:					
Structures and improvements	4,988,193	--	--	--	4,988,193
Equipment	1,625,693	--	93,230	--	1,718,923
Total capital assets, being depreciated	<u>6,613,886</u>	<u>--</u>	<u>93,230</u>	<u>--</u>	<u>6,707,116</u>
Less accumulated depreciation for:					
Structures and improvements	(574,155)	(191,750)	--	--	(765,905)
Equipment	(1,600,517)	(4,092)	(93,230)	--	(1,697,839)
Total accumulated depreciation	<u>(2,174,672)</u>	<u>(195,842)</u>	<u>(93,230)</u>	<u>--</u>	<u>(2,463,744)</u>
Total capital assets, being depreciated, net	<u>4,439,214</u>	<u>(195,842)</u>	<u>--</u>	<u>--</u>	<u>4,243,372</u>
Business-type activities capital assets, net	<u>\$ 4,912,037</u>	<u>\$ 2,252,200</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,164,237</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 4: **CAPITAL ASSETS** (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 259,679
Public protection	199,442
Public ways and facilities	2,535,159
Health and sanitation	37,677
Public assistance	4,227
Recreation and culture	121,217
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset	<u>753,409</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 3,910,810</u>

Depreciation expense was charged to the business-type functions as follows:

Solid Waste	\$ 35,032
Airport	<u>160,810</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 195,842</u>

NOTE 5: **LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities					
Bonds payable	\$ 4,455,700	\$ --	\$ (502,100)	\$ 3,953,600	\$ 548,000
Compensated absences	3,217,472	1,930,569	(1,799,369)	3,348,672	669,734
Claims liability	<u>1,520,753</u>	<u>726,936</u>	<u>(580,739)</u>	<u>1,666,950</u>	<u>1,666,950</u>
Total Governmental Activities Long-term liabilities	<u>\$ 9,193,925</u>	<u>\$ 2,657,505</u>	<u>\$ (2,882,208)</u>	<u>\$ 8,969,222</u>	<u>\$ 2,884,684</u>
Business-type Activities					
Refunded certificates of participation	\$ 3,213,600	\$ --	\$ (189,000)	\$ 3,024,600	\$ 199,400
Loans payable	166,667	--	(33,334)	133,333	33,333
Compensated absences	85,449	38,395	(70,979)	52,865	10,573
Landfill postclosure cost	<u>5,700,911</u>	<u>919,876</u>	<u>--</u>	<u>6,620,787</u>	<u>--</u>
Total Business-type Activities Long-term liabilities	<u>\$ 9,166,627</u>	<u>\$ 958,271</u>	<u>\$ (293,313)</u>	<u>\$ 9,831,585</u>	<u>\$ 243,306</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 5: **LONG-TERM LIABILITIES** (continued)

Claims and judgments will be paid from the general fund. Compensated absences are generally liquidated by several of the County's funds, including the general fund and several special revenue funds.

As of June 30, 2013, annual debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities			
	Bonds Payable			
	Principal	Interest		
2014	\$ 548,000	\$	161,658	
2015	596,300		138,460	
2016	647,700		113,220	
2017	702,100		85,809	
2018	762,900		52,562	
2019-2023	696,600		95,175	
	<u>\$ 3,953,600</u>	<u>\$</u>	<u>646,884</u>	
Year Ending June 30	Business-Type Activities			
	Certificates of Participation		Loans Payable	
	Principal	Interest	Principal	Interest
2014	\$ 199,400	\$ 129,756	\$ 33,333	\$ --
2015	204,600	121,202	33,333	--
2016	214,600	112,424	33,334	--
2017	223,300	103,218	33,334	--
2018	236,800	93,638	--	--
2019-2023	1,330,800	307,878	--	--
2024-2025	615,100	39,948	--	--
	<u>\$ 3,024,600</u>	<u>\$ 908,064</u>	<u>\$ 133,334</u>	<u>\$ --</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 5: LONG-TERM LIABILITIES (continued)

Long-term debt at June 30, 2013, consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2013</u>
<u>Governmental activities</u>						
2012 PERS Side Fund Refunding (to refund unfunded accrued liability for the County's retirement plan)	02/12	02/18 - 02/23	4.36%	\$116,300 - \$762,900	<u>\$ 4,612,900</u>	<u>\$ 3,953,600</u>
<u>Business-type activities</u>						
2011 Refunding of COPS 2001A (to refund 2001 Series A Certificates of Participation; to finance closure of four County landfills)	03/11	05/11 - 05/25	4.29%	\$189,000 - \$316,100	3,609,000	3,024,600
Note Payable (to finance capital improvements at the Bridgeport Landfill facility)	01/02	06/03 - 06/13	0.00%	\$33,333	<u>500,000</u>	<u>133,334</u>
Total business-type activities					<u>\$ 4,109,000</u>	<u>\$ 3,157,934</u>

NOTE 6: CLOSURE AND POSTCLOSURE LIABILITY

The County of Mono has six landfill sites. State and federal laws and regulations require the County to perform certain closure and postclosure maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an expenditure in each year based on landfill capacity used as of each balance sheet date. The \$6,620,787 reported as closure and postclosure liability in the Enterprise Fund at June 30, 2013, represents the cumulative amount reported to date based on the following estimated percentages of capacity applied to the estimated closure and postclosure care costs:

Landfill Site	<u>Estimated Closure Costs</u>	<u>Estimated Postclosure Costs</u>	<u>Total Estimated Cost</u>	<u>Estimated Total Capacity (Cubic Yards)</u>	<u>Remaining Capacity (Cubic Yards)</u>	<u>Estimated Capacity Used (Cubic Yards)</u>	<u>Estimated Percentage of Capacity Used through June 30, 2013</u>	<u>Landfill Closure and Postclosure Liability at June 30, 2013</u>
Benton Crossing	\$ 4,369,358	\$ 2,080,935	\$ 6,450,292	2,253,100	1,100,556	1,152,544	51.15%	\$ 3,299,563
Pumice Valley	1,283,165	1,493,493	2,776,658	347,112	235,458	111,654	32.17%	893,155
Walker	759,718	879,780	1,639,498	340,716	277,546	63,170	18.54%	303,969
Benton*	--	741,600	741,600	--	--	--	--	741,600
Bridgeport*	--	835,000	835,000	--	--	--	--	835,000
Chalfant*	--	547,500	547,500	--	--	--	--	547,500
Total	<u>\$ 6,412,241</u>	<u>\$ 6,578,308</u>	<u>\$ 12,990,548</u>	<u>2,940,928</u>	<u>1,613,560</u>	<u>1,327,368</u>	<u>45.13%</u>	<u>\$ 6,620,787</u>

* Landfills are closed and tracking of statistics is no longer required or useful

The County will recognize the remaining estimated cost of closure and postclosure care of \$6,369,761 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2013.

Actual costs may be higher due to inflation, change in technology, or changes in regulations.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 6: CLOSURE AND POSTCLOSURE LIABILITY (continued)

The County is required by state and federal laws and regulations to make annual contributions to a trust or pledge future revenues to finance closure and postclosure costs. At June 30, 2013, cash and investments of \$2,666,171 were held as restricted cash for these purposes. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenues. The County has elected to utilize the Pledge of Revenue financial assurance mechanism.

NOTE 7: INTERFUND TRANSACTIONS

Transfers:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Road	\$ 588,000
	Nonmajor Governmental Funds	1,172,497
	Solid Waste	69,225
	Nonmajor Enterprise Funds	25,000
	Internal Service Funds	81,731
		<u>1,936,453</u>
Nonmajor Governmental Funds	General Fund	1,488,559
	Nonmajor Governmental Funds	61,455
		<u>1,550,014</u>
	Total	<u>\$ 3,486,467</u>

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Road Fund	\$ 789,096
	Other Governmental Funds	278,294
		<u>\$ 1,067,390</u>

The above balances reflect temporary loans to cover cash deficits at June 30.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 1,440,000

The advance represents an interest free loan between the General Fund and the Solid Waste Fund to fund decreases in revenues due to current economic conditions.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 8: **DEFINED BENEFIT PENSION PLAN**

A. Plan Description

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 Q Street – Sacramento, CA 95811.

B. Funding Policy

Active plan members in PERS are required to contribute 8 percent (9 percent for safety employees) of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2012-13 was 19.495 percent for miscellaneous employees; 24.112 percent for safety employees and 1st tier fire; and 20.040 percent for 2nd tier fire. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS.

C. Annual Pension Cost

For the fiscal year ended June 30, 2013, the County's annual pension cost of \$4,007,305 for PERS was equal to the County's required and actual contributions plus the amortization of the pension asset. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses); (b) projected annual salary increases that vary by age, service, and type of employment; and (c) 3.25 percent per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0 percent.

The actuarial value of the County's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a 15-year period depending on the size of the investment gains and/or losses. The County's excess assets are being amortized as a level percentage of projected payroll on a closed basis. There is an average of 24 years remaining in the amortization period at June 30, 2009 (the valuation date) under the miscellaneous plan.

The County's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2013, were as follows:

Annual required contribution (County fiscal year basis)	<u>\$ 4,007,305</u>
Annual pension cost (APC)	4,007,305
Contributions made	<u>3,916,832</u>
Increase (decrease) in pension asset	(90,473)
Net pension asset, beginning of year	<u>4,523,656</u>
Net pension asset, end of year	<u><u>\$ 4,433,183</u></u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (continued)

C. Annual Pension Cost (continued)

The following table shows the County's annual pension cost and the percentage contributed for the fiscal year 2012-2013 and each of the two preceding fiscal years:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
2011	\$ 4,516,464	\$ 4,516,464	100%	\$ --
2012	4,414,578	8,938,234	202%	4,523,656
2013	4,007,305	3,916,832	98%	4,433,183

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012, the most recent actuarial valuation date, is as follows (in thousands):

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
<u>Miscellaneous Plan</u>						
06/30/12	\$ 84,619	\$ 66,804	\$ 17,815	78.9%	\$ 13,022	136.8%

Safety Plan

This information is no longer available for the Safety Plan. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County administers a postemployment healthcare plan, a single-employer defined benefit post employment healthcare plan. The County established another post employment health benefit (OPEB) trust with the Public Agency Retirement Services (PARS) which is used to accumulate resources to fund future benefits, however it does not represent the activities of the plan. The Plan provides medical, dental and vision insurance benefits to eligible retirees.

The County provides post-retirement health care benefits, in accordance with County employment contracts, to all employees who retire, on a tiered basis. Employees hired prior to January 1, 2002, who have attained the age of 55 and have accrued a minimum of 20 years of service are entitled to post-retirement health care benefits. (In this category, age and time are tiered between age 50 and 55 with between 5 and 20 years of service depending upon the date of hire). Employees hired after January 1, 2002, are not eligible for post-retirement health care benefits. Instead, employees hired after this date shall be eligible to receive County contributions into an Internal Revenue Code Section 401(a) Plan established by the County. Currently, 165 retirees and 55 employees, not yet retired, meet the eligibility requirements for the pre-2002 hire health care retirement benefits. This is a closed group with no new members added or eligible. The County has a two-part system for acknowledging this liability. 1) The county budgets for the full 3% match of employee salaries to match the 3% maximum payable under the 401(a) plan. The excess not paid to participating employees remains in the retirement trust fund to pay on-going retiree costs. 2) The County budgets for the ARC with payments first going to fund current retiree costs and the remainder in trust to fund future retiree costs.

Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the County. The contribution is based on the difference between what the County paid directly to or on behalf of eligible employees and the full value of the annual required contributions (ARC). For fiscal year 2012-13, the County contributed \$2,690,942, or 137% of the ARC, to the Post Employment Benefit Plan.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The County’s ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation to the Retiree Health Plan (dollar amount in thousands):

Annual Required Contribution	\$ 1,968,353
Interest on prior year Net OPEB obligation	(64,361)
Adjustment to ARC	73,795
	1,977,787
Annual OPEB cost	1,977,787
Contributions made	(2,690,942)
Change in OPEB benefit	(713,155)
Net OPEB asset - beginning of year	(953,498)
Net OPEB asset - end of year	\$ (1,666,653)

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan (as described in the funding policy above), and the Net OPEB Obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/11	\$ 2,437,305	104%	\$ 792,912
6/30/12	2,443,286	107%	953,498
6/30/13	1,977,787	136%	1,666,653

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2012, the plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 26,703,201
Actuarial value of plan assets	<u>7,315,541</u>
Unfunded actuarial accrued liability (UAAL)	19,387,660
 Funded ratio (actuarial value of plan assets/AAL)	 27.40%
 Covered payroll (active Plan members)	 n/a
UAAL as a percentage of covered payroll	n/a

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return, an inflation rate of 3.25% per year, and assumed medical inflation of 9% graded down to 5% over 9 years. The OPEB plan's unfunded actuarial liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at June 30, 2013, was 25 years.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 10: NET POSITION/FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned. A detailed schedule of fund balances at June 30, 2013 is as follows:

	General Fund	Road Fund	Other Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Nonspendable:			
Prepays and inventory	\$ 84,349	\$ 345,500	\$ 5,068
Advances	1,440,000	--	--
Total Nonspendable	<u>1,524,349</u>	<u>345,500</u>	<u>5,068</u>
 Restricted for:			
Health services	3,010,167	--	81,199
County service areas	--	--	1,387,929
Community development	--	--	323,479
Various grants programs	--	--	2,497,174
Total Restricted	<u>3,010,167</u>	<u> --</u>	<u>4,289,781</u>
 Assigned:			
Capital projects	--	--	743,363
Debt service	--	--	25,600
Total Assigned	<u> --</u>	<u> --</u>	<u>768,963</u>
 Unassigned	<u>6,399,062</u>	<u>(763,963)</u>	<u>(176,978)</u>
 Total Fund Balance	<u>\$ 10,933,578</u>	<u>\$ (418,463)</u>	<u>\$ 4,886,834</u>

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

NOTE 11: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions injuries to employees, and natural disasters. The County's General Fund is used to account for and finance its uninsured risks of loss for general liability and workers' compensation. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$125,000 for each workers' compensation claim and \$25,000 for each general liability claim, up to four claims per year. The County is a member of the Trindel Insurance Fund. Trindel Insurance Fund (JPA) is classified as a claims-servicing or account pool, which results in the County retaining the risk of loss and being considered self-insured with regard to liability coverage for the first \$100,000 of general liability per occurrence. The County maintains reserves on hand with the Trindel Insurance Fund for all known claims as calculated by the actuary and a prudent reserve for the deductibles for future claims.

The County also belongs to another larger JPA called the County Supervisors Association of California Excess Insurance Authority (CSACEIA). CSACEIA, along with other commercial carriers, increases the coverage for general liability to \$15 million. Also, CSACEIA, along with other commercial carriers, covers replacement cost on

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 11: RISK MANAGEMENT (continued)

property to \$600 million with a \$1,000 deductible per occurrence. CSACEIA is a public entity risk pool currently operating as a common risk management and insurance program. The County pays an annual premium to the Authority for excess insurance coverage. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Risk Management funds based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$1,666,950 reported in the government-wide statements at June 30, 2013, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims are actuarially determined. Liabilities are based on the estimated cost of settling the claims.

Changes in the County's claims liability amount for the fiscal years ending June 30, 2012 and 2013 were as follows:

<u>Fiscal Year Ended</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
2012	\$ 1,474,306	\$ 396,725	\$ 350,278	\$ 1,520,753
2013	1,520,753	726,936	580,739	1,666,950

The County is also involved in various cases in which there is a reasonable possibility of loss. All of the cases in excess of the \$100,000 retained liability limit are covered by excess insurance coverage. In accordance with Governmental Accounting Standards Board Statement No. 10, these cases have not been accrued in the financial statements.

NOTE 12: JOINT AGENCIES

The CSAC Excess Insurance Authority is a joint powers authority organized for the purpose to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty member counties.

Complete audited financial statements for CSAC Excess Insurance Authority can be obtained from the Authority's Office at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 13: **COMMITMENTS AND CONTINGENCIES**

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

NOTE 14: **NEW ACCOUNTING PRONOUNCEMENTS**

GASB recently released several new accounting and financial reporting standards. The following new standards may have a significant impact on the County's financial reporting process.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for periods beginning after December 15, 2012. It improves financial reporting for state and local governments by reclassifying, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, *Technical Corrections – 2012*, effective for periods beginning after December 15, 2012. It improves financial reporting for state and local governments by resolving conflicting guidance that resulted from issuance of GASB Statements Nos. 54 and 62.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for periods beginning after June 15, 2014. The principal objective of this statements is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees – both active employees and inactive employees – are provided with pensions. An additional objective is to improve the information provided in government financial reports about pension-related financial support provided by certain non-employer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2013

SCHEDULE OF FUNDING PROGRESS – RETIREMENT PLAN

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30 (\$ in thousands):

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
<u>Miscellaneous Plan</u>						
6/30/2010	75,123	58,818	16,305	78.3%	14,774	110.4%
6/30/2011	80,865	63,118	17,747	78.1%	13,860	128.0%
6/30/2012	84,619	66,804	17,815	78.9%	13,022	136.8%

Safety Plan

This information is no longer available for the Safety Plan. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

SCHEDULE OF FUNDING PROGRESS – POSTEMPLOYMENT HEALTH PLAN

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30 (\$ amount in thousands):

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
01/01/08	\$ 26,320	\$ 2,640	\$ 23,680	10.0%	n/a	n/a
01/01/10	27,643	3,567	24,076	12.9%	n/a	n/a
01/01/12	26,703	7,315	19,388	27.4%	n/a	n/a

COUNTY OF MONO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 20,449,000	\$ 20,715,239	\$ 21,688,493	\$ 973,254
Licenses and permits	613,800	613,800	596,333	(17,467)
Fines, forfeits and penalties	766,300	766,300	711,190	(55,110)
Revenue from use of money and property	126,869	126,869	277,935	151,066
Aid from other governments	12,699,682	12,972,748	12,393,599	(579,149)
Charges for services	3,119,150	3,165,185	3,038,989	(126,196)
Miscellaneous revenue	269,100	257,866	314,225	56,359
Total Revenues	<u>38,043,901</u>	<u>38,618,007</u>	<u>39,020,764</u>	<u>402,757</u>
Expenditures:				
Current:				
General government	7,416,877	7,714,861	6,291,771	1,423,090
Public protection	20,783,687	21,143,041	18,460,853	2,682,188
Public way and facilities	1,127,242	1,127,742	1,052,357	75,385
Health and sanitation	9,862,568	9,862,568	9,611,503	251,065
Public assistance	4,393,597	4,393,597	3,957,868	435,729
Education	38,322	38,322	37,758	564
Recreation and culture	53,000	53,000	13,930	39,070
Total Expenditures	<u>43,675,293</u>	<u>44,333,131</u>	<u>39,426,040</u>	<u>4,907,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,631,392)</u>	<u>(5,715,124)</u>	<u>(405,276)</u>	<u>5,309,848</u>
Other Financing Sources (Uses):				
Sale of capital assets	6,500	6,500	11,590	5,090
Transfers in	2,124,543	2,232,463	1,488,559	(743,904)
Transfers out	(2,527,090)	(2,716,110)	(1,936,453)	779,657
Total Other Financing Sources (Uses)	<u>(396,047)</u>	<u>(477,147)</u>	<u>(436,304)</u>	<u>40,843</u>
Net Change in Fund Balances	(6,027,439)	(6,192,271)	(841,580)	5,350,691
Budgetary Fund Balances - Beginning of Year	<u>11,775,158</u>	<u>11,775,158</u>	<u>11,775,158</u>	<u>--</u>
Budgetary Fund Balances - End of Year	<u>\$ 5,747,719</u>	<u>\$ 5,582,887</u>	<u>\$ 10,933,578</u>	<u>\$ 5,350,691</u>

COUNTY OF MONO

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 5,280	\$ 280
Fines, forfeits and penalties	50,000	50,000	50,202	202
Revenue from use of money and property	1,000	1,000	2,215	1,215
Aid from other governments	7,846,642	7,513,375	4,198,754	(3,314,621)
Charges for services	698,000	798,000	843,488	45,488
Other revenues	12,500	12,500	1,285	(11,215)
Total Revenues	<u>8,613,142</u>	<u>8,379,875</u>	<u>5,101,224</u>	<u>(3,278,651)</u>
Expenditures:				
Current:				
Public way and facilities	<u>9,803,243</u>	<u>9,856,843</u>	<u>7,094,955</u>	<u>2,761,888</u>
Total Expenditures	<u>9,803,243</u>	<u>9,856,843</u>	<u>7,094,955</u>	<u>2,761,888</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,190,101)</u>	<u>(1,476,968)</u>	<u>(1,993,731)</u>	<u>(516,763)</u>
Other Financing Sources (Uses):				
Transfers in	<u>550,000</u>	<u>588,000</u>	<u>588,000</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>588,000</u>	<u>588,000</u>	<u>--</u>
Net Change in Fund Balances	(640,101)	(888,968)	(1,405,731)	(516,763)
Fund Balances - Beginning of Year	<u>987,268</u>	<u>987,268</u>	<u>987,268</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 347,167</u>	<u>\$ 98,300</u>	<u>\$ (418,463)</u>	<u>\$ (516,763)</u>

COUNTY OF MONO

Note to Required Supplementary Information
For the Year Ended June 30, 2013

BUDGETARY BASIS OF ACCOUNTING

General Budget Policies

By State law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption. However, due to the lateness of the adoption of the State budget, the County by resolution R03-058 has extended these periods to August 10 and October 2, respectively.

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by resolution during the fiscal year. Department heads may, upon approval of the Auditor-Controller, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the Board. It is this final revised budget that is presented in the basic financial statements. Appropriations lapse at year end.

Budgets are adopted for the general fund and most special revenue funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with GAAP.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate publication presenting this information is available.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including that acquisition or construction of capital facilities and other capital assets.

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COUNTY OF MONO

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue				
	Geothermal	Bio Terrorism	Fish and Game	Tobacco	Emergency Medical Services
<u>Assets</u>					
Cash and investments	\$ --	\$ --	\$ 13,125	\$ 3,729	\$ 82,688
Due from other governments	--	240,035	--	--	--
Prepays	--	--	--	4,288	--
Total Assets	\$ --	\$ 240,035	\$ 13,125	\$ 8,017	\$ 82,688
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ --	\$ 4,796	\$ --	\$ 7,559	\$ 1,489
Salaries and benefits payable	--	16,424	--	8,868	--
Due to other funds	22,000	256,294	--	--	--
Deposits from others	--	--	--	--	--
Unavailable Revenue	--	104,801	--	--	--
Total Liabilities	22,000	382,315	--	16,427	1,489
Fund Balance					
Nonspendable	--	--	--	4,288	--
Restricted	--	--	13,125	--	81,199
Assigned	--	--	--	--	--
Unassigned	(22,000)	(142,280)	--	(12,698)	--
Total Fund Balances	(22,000)	(142,280)	13,125	(8,410)	81,199
Total Liabilities and Fund Balances	\$ --	\$ 240,035	\$ 13,125	\$ 8,017	\$ 82,688

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2013

	Special Revenue				
	Major Thoroughfare	Mitigation Fee	County Service Areas	Realignment Fund	Development Impact
<u>Assets</u>					
Cash and investments	\$ 63,504	\$ 117,262	\$ 1,393,270	\$ 1,130,825	\$ 206,217
Due from other governments	--	--	--	--	--
Prepays	--	--	780	--	--
Total Assets	\$ 63,504	\$ 117,262	\$ 1,394,050	\$ 1,130,825	\$ 206,217
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ --	\$ --	\$ 1,245	\$ --	\$ --
Salaries and benefits payable	--	--	--	--	--
Due to other funds	--	--	--	--	--
Deposits from others	--	--	4,096	--	--
Unavailable Revenue	--	--	--	--	--
Total Liabilities	--	--	5,341	--	--
Fund Balance					
Nonspendable	--	--	780	--	--
Restricted	63,504	117,262	1,387,929	1,130,825	206,217
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total Fund Balances	63,504	117,262	1,388,709	1,130,825	206,217
Total Liabilities and Fund Balances	\$ 63,504	\$ 117,262	\$ 1,394,050	\$ 1,130,825	\$ 206,217

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2013

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
	<u>Various Restricted Grant Funds</u>	<u>Total Special Revenue</u>	<u>Miscellaneous Capital Improvements</u>	<u>Debt Service Fund</u>	
<u>Assets</u>					
Cash and investments	\$ 1,254,098	\$ 4,264,718	\$ 744,115	\$ 25,600	\$ 5,034,433
Due from other governments	36,424	276,459	--	--	276,459
Prepays	--	5,068	--	--	5,068
Total Assets	\$ 1,290,522	\$ 4,546,245	\$ 744,115	\$ 25,600	\$ 5,315,960
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 802	\$ 15,891	\$ 752	\$ --	\$ 16,643
Salaries and benefits payable	--	25,292	--	--	25,292
Due to other funds	--	278,294	--	--	278,294
Deposits from others	--	4,096	--	--	4,096
Unavailable Revenue	--	104,801	--	--	104,801
Total Liabilities	802	428,374	752	--	429,126
Fund Balance					
Nonspendable	--	5,068	--	--	5,068
Restricted	1,289,720	4,289,781	--	--	4,289,781
Assigned	--	--	743,363	25,600	768,963
Unassigned	--	(176,978)	--	--	(176,978)
Total Fund Balances	1,289,720	4,117,871	743,363	25,600	4,886,834
Total Liabilities and Fund Balances	\$ 1,290,522	\$ 4,546,245	\$ 744,115	\$ 25,600	\$ 5,315,960

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue				
	Geothermal	Bio Terrorism	Fish and Game	Tobacco	Emergency Medical Services
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	--	--	9,057	861	71,698
Use of money and property	--	(1,735)	173	(64)	546
Intergovernmental	--	549,301	--	150,000	--
Charges for services	--	--	--	--	--
Miscellaneous	73,000	--	--	--	--
Total Revenues	<u>73,000</u>	<u>547,566</u>	<u>9,230</u>	<u>150,797</u>	<u>72,244</u>
Expenditures:					
Current:					
General government	--	--	--	--	--
Public protection	--	497,358	10,370	--	--
Public ways and facilities	73,100	--	--	--	--
Health and sanitation	--	--	--	144,477	39,320
Public assistance	--	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total Expenditures	<u>73,100</u>	<u>497,358</u>	<u>10,370</u>	<u>144,477</u>	<u>39,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(100)</u>	<u>50,208</u>	<u>(1,140)</u>	<u>6,320</u>	<u>32,924</u>
Other Financing Sources (Uses):					
Transfers in	--	210,743	--	22,206	--
Transfers out	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>210,743</u>	<u>--</u>	<u>22,206</u>	<u>--</u>
Net Change in Fund Balances	(100)	260,951	(1,140)	28,526	32,924
Fund Balances - Beginning of Year	<u>(21,900)</u>	<u>(403,231)</u>	<u>14,265</u>	<u>(36,936)</u>	<u>48,275</u>
Fund Balances - End of Year	<u>\$ (22,000)</u>	<u>\$ (142,280)</u>	<u>\$ 13,125</u>	<u>\$ (8,410)</u>	<u>\$ 81,199</u>

continued

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue				
	Major Thoroughfare	Mitigation Fee	County Service Areas	Realignment Fund	Development Impact
Revenues:					
Taxes	\$ --	\$ --	\$ 191,343	\$ --	\$ --
Fines, forfeitures and penalties	--	--	--	--	--
Use of money and property	630	1,164	14,779	--	2,046
Intergovernmental	--	--	20,000	2,162,308	--
Charges for services	--	--	18,857	--	--
Miscellaneous	--	--	13,560	--	--
Total Revenues	<u>630</u>	<u>1,164</u>	<u>258,539</u>	<u>2,162,308</u>	<u>2,046</u>
Expenditures:					
Current:					
General government	--	--	151,449	--	--
Public protection	--	--	--	--	--
Public ways and facilities	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Public assistance	--	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>151,449</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>630</u>	<u>1,164</u>	<u>107,090</u>	<u>2,162,308</u>	<u>2,046</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	48,117	--
Transfers out	--	--	--	(1,457,256)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,409,139)</u>	<u>--</u>
Net Change in Fund Balances	630	1,164	107,090	753,169	2,046
Fund Balances - Beginning of Year	<u>62,874</u>	<u>116,098</u>	<u>1,281,619</u>	<u>377,656</u>	<u>204,171</u>
Fund Balances - End of Year	<u>\$ 63,504</u>	<u>\$ 117,262</u>	<u>\$ 1,388,709</u>	<u>\$ 1,130,825</u>	<u>\$ 206,217</u>

continued

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
	<u>Various Restricted Grant Funds</u>	<u>Total Special Revenue</u>	<u>Miscellaneous Capital Improvements</u>	<u>Debt Service Fund</u>	
Revenues:					
Taxes	\$ --	\$ 191,343	\$ --	\$ --	\$ 191,343
Fines, forfeitures and penalties	66,566	148,182	--	--	148,182
Use of money and property	11,566	29,105	--	--	29,105
Intergovernmental	721,951	3,603,560	174,680	--	3,778,240
Charges for services	7,893	26,750	--	--	26,750
Miscellaneous	139,100	225,660	400	--	226,060
Total Revenues	<u>947,076</u>	<u>4,224,600</u>	<u>175,080</u>	<u>--</u>	<u>4,399,680</u>
Expenditures:					
Current:					
General government	599	152,048	82,097	--	234,145
Public protection	663,456	1,171,184	--	--	1,171,184
Public ways and facilities	--	73,100	--	--	73,100
Health and sanitation	--	183,797	--	--	183,797
Public assistance	48,181	48,181	--	--	48,181
Debt service:					
Principal	--	--	--	502,100	502,100
Interest	--	--	--	172,795	172,795
Capital outlay	--	--	346,890	--	346,890
Total Expenditures	<u>712,236</u>	<u>1,628,310</u>	<u>428,987</u>	<u>674,895</u>	<u>2,732,192</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>234,840</u>	<u>2,596,290</u>	<u>(253,907)</u>	<u>(674,895)</u>	<u>1,667,488</u>
Other Financing Sources (Uses):					
Transfers in	15,000	296,066	313,876	624,010	1,233,952
Transfers out	(16,635)	(1,473,891)	(76,123)	--	(1,550,014)
Total Other Financing Sources (Uses)	<u>(1,635)</u>	<u>(1,177,825)</u>	<u>237,753</u>	<u>624,010</u>	<u>(316,062)</u>
Net Change in Fund Balances	233,205	1,418,465	(16,154)	(50,885)	1,351,426
Fund Balances - Beginning of Year	<u>1,056,515</u>	<u>2,699,406</u>	<u>759,517</u>	<u>76,485</u>	<u>3,535,408</u>
Fund Balances - End of Year	<u>\$ 1,289,720</u>	<u>\$ 4,117,871</u>	<u>\$ 743,363</u>	<u>\$ 25,600</u>	<u>\$ 4,886,834</u>

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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COUNTY OF MONO

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 June 30, 2013

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Pooled cash and investments	\$ 54,390	\$ 25,719	\$ 80,109
Accounts Receivable	<u>2,932</u>	<u>--</u>	<u>2,932</u>
Total Assets	<u>57,322</u>	<u>25,719</u>	<u>83,041</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	<u>4,246</u>	<u>12</u>	<u>4,258</u>
Total Liabilities	<u>4,246</u>	<u>12</u>	<u>4,258</u>
<u>Net Position</u>			
Unrestricted	<u>53,076</u>	<u>25,707</u>	<u>78,783</u>
Total Net Position	<u>\$ 53,076</u>	<u>\$ 25,707</u>	<u>\$ 78,783</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
Operating Revenues:			
Charges for services	<u>\$ 33,587</u>	<u>\$ 456</u>	<u>\$ 34,043</u>
Total Operating Revenues	<u>33,587</u>	<u>456</u>	<u>34,043</u>
Operating Expenses:			
Services and supplies	<u>24,830</u>	<u>75,816</u>	<u>100,646</u>
Total Operating Expenses	<u>24,830</u>	<u>75,816</u>	<u>100,646</u>
Operating Income (Loss)	<u>8,757</u>	<u>(75,360)</u>	<u>(66,603)</u>
Non-Operating Revenues (Expenses):			
Interest income (expense)	<u>525</u>	<u>631</u>	<u>1,156</u>
Total Non-Operating Revenues	<u>525</u>	<u>631</u>	<u>1,156</u>
Income (loss) before transfers	9,282	(74,729)	(65,447)
Transfers in	<u>--</u>	<u>25,000</u>	<u>25,000</u>
Change in Net Position	9,282	(49,729)	(40,447)
Net Position - Beginning of Year	<u>43,794</u>	<u>75,436</u>	<u>119,230</u>
Net Position - End of Year	<u><u>\$ 53,076</u></u>	<u><u>\$ 25,707</u></u>	<u><u>\$ 78,783</u></u>

COUNTY OF MONO

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 32,216	\$ 456	\$ 32,672
Cash paid to suppliers for goods and services	<u>(20,584)</u>	<u>(75,804)</u>	<u>(96,388)</u>
Net Cash Provided (Used) by Operating Activities	<u>11,632</u>	<u>(75,348)</u>	<u>(63,716)</u>
CASH FLOWS FROM NONCAPITAL FINANCING			
Transfers from other funds	<u>--</u>	<u>25,000</u>	<u>25,000</u>
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>25,000</u>	<u>25,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	<u>525</u>	<u>631</u>	<u>1,156</u>
Net Cash Provided (Used) by Investing Activities	<u>525</u>	<u>631</u>	<u>1,156</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,157	(49,717)	(37,560)
Cash and Cash Equivalents, Beginning of Year	<u>42,233</u>	<u>75,436</u>	<u>117,669</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 54,390</u></u>	<u><u>\$ 25,719</u></u>	<u><u>\$ 80,109</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 8,757	\$ (75,360)	\$ (66,603)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in:			
Receivables	(1,371)	--	(1,371)
Payables	<u>4,246</u>	<u>12</u>	<u>4,258</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 11,632</u></u>	<u><u>\$ (75,348)</u></u>	<u><u>\$ (63,716)</u></u>

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INTERNAL SERVICE FUNDS

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COUNTY OF MONO

Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Pooled cash and investments	\$ 4,386	\$ 830,832	\$ 835,218
Total Current Assets	<u>4,386</u>	<u>830,832</u>	<u>835,218</u>
Noncurrent Assets:			
Capital assets:			
Depreciable, net	<u>92,783</u>	<u>1,572,295</u>	<u>1,665,078</u>
Total Noncurrent Assets	<u>92,783</u>	<u>1,572,295</u>	<u>1,665,078</u>
 Total Assets	 <u>97,169</u>	 <u>2,403,127</u>	 <u>2,500,296</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	<u>1,279</u>	<u>8,105</u>	<u>9,384</u>
Total Liabilities	<u>1,279</u>	<u>8,105</u>	<u>9,384</u>
<u>Net Position</u>			
Net investment in capital assets	92,783	1,572,295	1,665,078
Unrestricted	<u>3,107</u>	<u>822,727</u>	<u>825,834</u>
Total Net Position	<u>\$ 95,890</u>	<u>\$ 2,395,022</u>	<u>\$ 2,490,912</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 112,448	\$ 601,392	\$ 713,840
Total Operating Revenues	<u>112,448</u>	<u>601,392</u>	<u>713,840</u>
Operating Expenses:			
Services and supplies	78,578	178,422	257,000
Depreciation	<u>34,046</u>	<u>702,993</u>	<u>737,039</u>
Total Operating Expenses	<u>112,624</u>	<u>881,415</u>	<u>994,039</u>
Operating Income (Loss)	<u>(176)</u>	<u>(280,023)</u>	<u>(280,199)</u>
Non-Operating Revenues (Expenses):			
Interest income (expense)	(187)	7,712	7,525
Intergovernmental	--	52,748	52,748
Miscellaneous	--	39,522	39,522
Loss on disposition of capital assets	<u>11,367</u>	<u>--</u>	<u>11,367</u>
Total Non-Operating Revenues	<u>11,180</u>	<u>99,982</u>	<u>111,162</u>
Income (loss) before transfers	11,004	(180,041)	(169,037)
Transfers in	<u>--</u>	<u>81,731</u>	<u>81,731</u>
Change in Net Position	11,004	(98,310)	(87,306)
Net Position - Beginning of Year	<u>84,886</u>	<u>2,493,332</u>	<u>2,578,218</u>
Net Position - End of Year	<u>\$ 95,890</u>	<u>\$ 2,395,022</u>	<u>\$ 2,490,912</u>

COUNTY OF MONO

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from interfund services provided	\$ 112,448	\$ 601,392	\$ 713,840
Cash paid to suppliers for goods and services	<u>(78,625)</u>	<u>(174,382)</u>	<u>(253,007)</u>
Net Cash Provided (Used) by Operating Activities	<u>33,823</u>	<u>427,010</u>	<u>460,833</u>
CASH FLOWS FROM NONCAPITAL FINANCING			
Due to other funds	11,367	81,731	93,098
Operating Grants	--	52,748	52,748
Other revenues	--	39,522	39,522
Net Cash Provided (Used) by Investing Activities	<u>11,367</u>	<u>174,001</u>	<u>39,522</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING			
Payments related to the acquisition of capital assets	(41,926)	(457,424)	(499,350)
Sale of capital assets	--	25,434	25,434
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(41,926)</u>	<u>(431,990)</u>	<u>(473,916)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	<u>(187)</u>	<u>7,712</u>	<u>7,525</u>
Net Cash Provided (Used) by Investing Activities	<u>(187)</u>	<u>7,712</u>	<u>7,525</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,077	176,733	33,964
Cash and Cash Equivalents, Beginning of Year	<u>1,309</u>	<u>654,099</u>	<u>655,408</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,386</u>	<u>\$ 830,832</u>	<u>\$ 835,218</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (176)	\$ (280,023)	\$ (280,199)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	34,046	702,993	737,039
Changes in assets and liabilities:			
Increase (decrease) in:			
Payables	<u>(47)</u>	<u>4,040</u>	<u>3,993</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 33,823</u>	<u>\$ 427,010</u>	<u>\$ 460,833</u>

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INVESTMENT TRUST FUNDS

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

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COUNTY OF MONO

Combining Statement of Fiduciary Net Position
Investment Trust Fund
June 30, 2013

	<u>Local Districts</u>	<u>School Funds</u>	<u>Total</u>
<u>Assets</u>			
Pooled cash and investments	\$ 19,816,171	\$ 27,156,021	\$ 46,972,192
Total Assets	<u>\$ 19,816,171</u>	<u>\$ 27,156,021</u>	<u>\$ 46,972,192</u>
<u>Net Position</u>			
Net position held in trust for investment pool participants	<u>\$ 19,816,171</u>	<u>\$ 27,156,021</u>	<u>\$ 46,972,192</u>

COUNTY OF MONO

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Fund
For the Year Ended June 30, 2013

	<u>Local Districts</u>	<u>School Districts</u>	<u>Total</u>
Additions			
Contributions	\$ 18,134,016	\$ 38,032,988	\$ 56,167,004
Investment income	<u>196,674</u>	<u>289,911</u>	<u>486,585</u>
Total Additions	18,330,690	38,322,899	56,653,589
Deductions:			
Distribution from pooled investment	<u>17,776,793</u>	<u>38,685,876</u>	<u>56,462,669</u>
Change in net position	553,897	(362,977)	190,920
Beginning net position held in trust for pool participants	<u>19,262,274</u>	<u>27,518,998</u>	<u>46,781,272</u>
Ending net position held for pool participants	<u><u>\$ 19,816,171</u></u>	<u><u>\$ 27,156,021</u></u>	<u><u>\$ 46,972,192</u></u>

STATISTICAL SECTION (UNAUDITED)

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COUNTY OF MONO

**Tax Levies and Collections
General Fund Secured Roll
1992-93 through 2012-13**

<u>Fiscal Year</u>	<u>Secured Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percent of Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Levy Collected</u>
1992-93	\$ 5,677,052	\$ 5,939,621	103.30%	\$ 255,980	\$ 6,195,601	107.75%
1993-94	4,841,678	5,066,272	104.64%	217,070	5,283,342	109.12%
1994-95	5,047,309	5,372,192	106.44%	228,890	5,601,082	110.97%
1995-96	4,962,551	5,024,418	101.19%	238,335	5,262,753	106.12%
1996-97	5,309,141	5,243,350	98.76%	156,743	5,400,093	101.71%
1997-98	5,977,025	5,236,546	87.61%	175,404	5,411,950	90.55%
1998-99	6,120,181	5,420,929	88.57%	185,983	5,606,912	91.61%
1999-00	6,420,655	5,699,096	88.77%	166,327	5,865,423	91.35%
2000-01	6,880,850	6,464,711	93.95%	139,088	660,379	95.97%
2001-02	7,073,947	6,992,736	98.85%	151,339	7,144,075	100.99%
2002-03	8,271,224	8,307,872	100.44%	250,939	8,558,811	103.48%
2003-04	8,426,505	8,523,576	101.15%	69,133	8,592,709	101.97%
2004-05	9,536,891	9,449,034	99.08%	58,669	9,507,703	99.69%
2005-06	11,362,185	10,892,350	95.86%	85,125	10,977,475	96.61%
2006-07	13,630,827	13,805,122	101.28%	122,857	13,927,980	102.18%
2007-08	15,706,796	16,120,226	102.63%	85,260	16,205,486	103.17%
2008-09	17,388,237	16,726,245	96.19%	145,777	16,872,022	97.03%
2009-10	17,600,670	16,124,835	91.61%	604,423	16,729,257	95.05%
2010-11	16,514,331	14,230,471	86.17%	578,940	14,809,410	89.68%
2011-12	14,392,453	14,296,942	99.34%	505,527	14,802,468	102.85%
2012-13	15,368,593	15,038,334	97.85%	1,812,716	16,851,050	109.65%

** Includes all charges, paid and unpaid. Redeemed delinquent taxes now included in taxes collected section.

COUNTY OF MONO

**Property Tax Value Allocation Collection
1992-93 through 2012-13
AB-8 VALUES**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>% Chg</u>	<u>Personal Property</u>	<u>% Chg</u>	<u>Total</u>	<u>% Chg</u>
1992-93	\$ 1,475,079,312		\$ 235,660,094		\$ 1,710,739,406	
1993-94	1,528,919,793	3.65%	242,890,893	3.07%	1,771,810,686	3.57%
1994-95	1,596,913,764	4.45%	231,701,331	-4.61%	1,828,615,095	3.21%
1995-96	1,592,321,372	-0.29%	215,419,598	-7.03%	1,807,740,970	-1.14%
1996-97	1,597,912,626	0.35%	224,837,451	4.37%	1,822,750,077	0.83%
1977-98	1,632,980,213	2.19%	225,309,948	0.21%	1,858,290,161	1.95%
1998-99	1,676,009,395	2.64%	229,640,519	1.92%	1,905,649,914	2.55%
1999-00	1,779,593,856	6.18%	229,350,947	-0.13%	2,008,944,803	5.42%
2000-01	1,989,414,352	11.79%	196,039,081	-14.52%	2,185,453,433	8.79%
2001-02	2,215,280,910	11.35%	224,479,974	14.51%	2,439,760,884	11.64%
2002-03	2,430,999,676	9.74%	252,782,477	12.61%	2,683,782,153	10.00%
2003-04	2,762,004,268	13.62%	265,105,692	4.88%	3,027,109,960	12.79%
2004-05	3,085,979,775	11.73%	267,934,406	1.07%	3,353,914,181	10.80%
2005-06	3,550,462,443	15.05%	260,084,308	-2.93%	3,810,546,751	13.61%
2006-07	4,278,126,257	20.49%	281,570,435	8.26%	4,559,696,692	19.66%
2007-08	5,015,813,891	17.24%	302,045,338	7.27%	5,317,859,229	16.63%
2008-09	5,554,102,507	10.73%	318,725,408	5.52%	5,872,827,915	10.44%
2009-10	5,634,656,131	1.45%	282,290,022	-11.43%	5,916,946,153	0.75%
2010-11	5,096,159,613	-9.56%	418,506,072	48.25%	5,514,665,685	-6.80%
2011-12	4,964,600,710	-2.58%	413,444,230	-1.21%	5,378,044,940	-2.48%
2012-13	4,957,878,484	-0.14%	360,781,678	-12.74%	5,318,660,162	-1.10%

COUNTY OF MONO
Property Tax Value Allocation Collection

County Wide Tax Limitation is 1 percent of Full Cash Value of \$1.00 Per Hundred Dollars of Full Cash Value per Proposition 13.

Distribution:

The tax levy generated by the \$1.00 rate is distributed to various taxing agencies using factors based upon tax collections of the three previous years (Local Agencies) and one year for schools (1977-78). Voter approved debt service is exempt from the 1 percent limitation.

COUNTY OF MONO
TAX RATES
2012-13

TAX AREAS 051-000 THRU 051-013/ 051-019 THRU 051-033	PERCENTAGE
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.044660
ESUSD BOND Redemption	0.015340
TOTAL	1.060000
TAX AREAS: 051-014 THRU 051-018	
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.044660
ESUSD BOND Redemption	0.015340
June Lake PUD Bond	0.008179
TOTAL	1.068179
TAX AREAS: 010-000, 010-002, 010-003, 010-004, 010-006, 010-008, 010-011, 010-012	
PROP 13 (1% Limit)	1.000000
Mammoth Unified Bond '98, '00 & '01	0.018854
Mammoth-Kern SFID	0.027136
Southern Mono Hospital Bond Redemption	0.005475
Southern Mono Hospital Bond Current	0.022549
TOTAL	1.074014
TAX AREAS: 010-001, 010-005, 010-007, 010-009, 010-010	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.027136
Mammoth County Water Improv. Bond #2	0.006344
Southern Mono Hospital Bond Redemption	0.005475
Southern Mono Hospital Bond Current	0.022549
Mammoth Unified Bond '98, '00 & '01	0.018854
TOTAL	1.080358
TAX AREAS: 010-013, 059-000, 059-005, 059-007, 059-012	
PROP 13 (1% Limit)	1.000000
Mammoth Unified Bond '98, '00 & '01	0.018854
Southern Mono Hospital Bond Redemption	0.005475
Southern Mono Hospital Bond Current	0.022549
TOTAL	1.046878
TAX AREAS: 060-000	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.012601
Bishop HS Bond (Determined by Inyo County)	0.035817
Southern Mono Hospital Bond Redemption	0.005475
Southern Mono Hospital Bond Current	0.022549
TOTAL	1.076442
TAX AREAS: 060-001 THRU 060-006	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.012601
Bishop HS Bond (Determined by Inyo County)	0.035817
TOTAL	1.048418

COUNTY OF MONO

**Distribution of Pooled Property Tax
1992-93 through 2012-13**

<u>Fiscal Year</u>	<u>County</u>	<u>Town of Mammoth Lakes</u>	<u>Schools Library and ERAF</u>	<u>Special Districts</u>	<u>Total</u>
1992-93	38.10%	2.93%	31.80%	27.17%	100.00%
1993-94	32.52%	3.02%	41.18%	23.28%	100.00%
1994-95	31.89%	3.03%	41.52%	23.56%	100.00%
1995-96	31.17%	3.96%	42.34%	22.53%	100.00%
1996-97	32.41%	3.07%	42.67%	21.85%	100.00%
1997-98	33.60%	3.05%	41.27%	22.08%	100.00%
1998-99	31.86%	3.06%	41.28%	23.80%	100.00%
1999-00	31.70%	3.19%	41.04%	24.07%	100.00%
2000-01	31.45%	3.58%	40.40%	24.57%	100.00%
2001-02	30.97%	3.64%	40.79%	24.60%	100.00%
2002-03	30.75%	3.74%	40.79%	24.72%	100.00%
2003-04	30.51%	3.89%	40.64%	24.96%	100.00%
2004-05	30.32%	4.00%	40.51%	25.17%	100.00%
2005-06	30.04%	4.17%	42.01%	23.78%	100.00%
2006-07	29.78%	4.29%	41.84%	24.08%	100.00%
2007-08	29.60%	4.43%	40.06%	25.91%	100.00%
2008-09	29.51%	4.50%	40.01%	25.97%	100.00%
2009-10	29.65%	4.46%	40.18%	25.71%	100.00%
2010-11	29.85%	4.37%	40.37%	25.42%	100.00%
2011-12	29.85%	4.36%	42.06%	23.73%	100.00%
2012-13	29.96%	4.30%	40.18%	25.56%	100.00%

COUNTY OF MONO

**Tax Collections
1992-93 through 2012-13**

Fiscal Year	General Fund		Secured and Unsecured				Totals
	County General Fund		Town of Mammoth	School Districts and Augmentation Fund	Special Districts		
	Secured	Unsecured					
1992-93	\$ 5,939,621	\$ 862,128	\$ 522,068	\$ 6,716,833	\$ 5,361,881	\$ 19,402,531	
1993-94	5,066,272	755,388	540,072	6,802,385	5,701,810	18,865,927	
1994-95	5,372,192	741,145	577,391	8,161,950	5,785,370	20,638,048	
1995-96	5,024,418	682,488	759,583	8,283,649	4,268,796	19,018,934	
1996-97	5,243,350	729,092	583,068	7,768,595	472,288	14,796,393	
1997-98	5,448,545	719,526	571,570	7,730,443	4,451,114	18,921,198	
1998-99	5,582,040	731,930	588,337	7,930,027	4,572,566	19,404,900	
1999-00	5,778,043	723,824	647,065	8,306,363	4,794,903	20,250,198	
2000-01	6,264,163	616,687	782,357	8,817,667	5,238,415	21,719,289	
2001-02	7,073,947	695,136	825,121	7,085,768	5,591,710	21,271,682	
2002-03	7,534,894	772,978	953,355	11,204,067	6,080,626	26,545,920	
2003-04	8,523,576	807,741	1,158,647	12,615,367	6,936,400	30,041,730	
2004-05*	9,449,034	706,107	1,348,916	13,642,275	7,916,718	33,063,050	
2005-06*	11,455,149	765,220	1,592,687	16,021,241	9,067,830	38,902,127	
2006-07*	12,910,660	894,463	2,295,078	18,389,553	11,787,382	46,277,136	
2007-08*	14,515,638	870,916	2,624,774	22,147,747	12,860,888	53,019,963	
2008-09*	14,933,794 **	919,168 **	2,653,891 **	23,571,923 **	15,301,520 **	57,380,296	
2009-10*	15,165,933 **	1,260,670 **	2,417,595 **	25,336,531 **	11,152,009 **	55,332,738	
2010-11*	15,209,742 **	2,409,465 **	2,409,465 **	22,262,705 **	12,855,279 **	55,146,657	
2011-12*	14,822,535 **	1,288,349 **	2,355,391 **	22,694,146 **	12,800,764 **	53,961,185	
2012-13*	14,814,123 **	1,122,030 **	2,286,660 **	22,419,290 **	12,544,531 **	53,186,634	

*** Triple-Flip Adjustments not recognized in these figures**

The lien or assessment date is the first Monday in January

Taxes may be paid in two installments. First installment is due November 1, and becomes delinquent on December 10, with 10% penalty added. Second installment is due February 1, and becomes delinquent on April 10, with 10% penalty and \$10.00 per parcel added for costs.

After June 30, property is transferred to the delinquent roll. Beginning July 1, additional penalties of 1% per month for the first year and 1/2% per month thereafter until the property is redeemed. After five years, the property may be sold for taxes due.

After June 30, property is transferred to the delinquent roll. Beginning July 1, additional penalties of 1% per month for the first year and 1/2% per month thereafter until the property is redeemed. After five years, the property may be sold for taxes due.

COUNTY OF MONO

**Triple Flip
2004-05 through 2012-13**

	COUNTY			TOWN			SPECIAL
	<i>Sales Tax</i>	<i>VLF</i>	<i>ERAF III</i>	<i>Sales Tax</i>	<i>VLF</i>	<i>ERAF III</i>	DISTRICTS <i>ERAF III</i>
2004-05	96,378	943,697	(92,964)	456,945	415,538	(217,497)	(890,482)
2005-06	101,279	1,074,952	(92,964)	501,959	517,229	(217,497)	(983,446)
2006-07	134,817	1,289,321	0	679,429	628,899	0	0
2007-08	148,749	1,494,755	0	518,443	744,745	0	0
2008-09	105,026	1,651,183	0	509,504	832,471	0	0
2009-10	120,633	1,673,140	0	349,063	874,007	0	0
2010-11	101,414	1,559,622	0	448,180	802,561	0	0
2011-12	117,111	1,520,974	0	431,197	783,012	0	0
2012-13	103,613	1,499,142	0	501,938	761,411	0	0

SB 1096 adopted by the State in FY 2003 and implemented in FY 2004 is measure whereby Sales Taxes and Vehicle License Fees are "swaped" for property taxes. This is in the wake of the State obtaining debt reduction bonds using sales tax revenue as the funding source. These are manual adjustments made to property tax revenue and based upon projections from the state and "trued up" the following year. Funds are taken from ERAF to fill the revenue gaps. ERAF III is a swap from polital subdivisions to back-fill the sales tax and VLF taken from ERAF. ERAF III is only in effect for FY 2004-05 and 2005-06.

COUNTY OF MONO

Miscellaneous Statistical Information
June 30, 2013

County Date of Formation:	April 21, 1861	
Form of Government:	General Law County under California Constitution 1849	
Area:	3,030 Square Miles	
County Road Mileage:	684.42	
Fire Protection:	No county-wide fire district, each community has its own special fire protection district	
Public Protection:	Sworn Sheriff/Jail Personnel	45
	Non-Sworn Sheriff/Jail Personnel	4
	Number of Stations	3
	Number of Employees	49
	Full-Time <i>(Includes Public Protection Employees)</i>	274
	Part-Time	21
	Total	295
Elections:	November-12	
	Registered Voters	5,983
	Number of Votes Cast Last General Election	5,223
	Percentage of Registered Voters Voting	87.30%

COUNTY OF MONO

**Miscellaneous Statistical Informantion
June 30, 2013**

Population:	FY Year	County	Incorporated	Total
	1910	2,042		2,042
	1920	960		960
	1930	1,360		1,360
	1940	2,299		2,299
	1950	2,115		2,115
	1960	2,213		2,213
	1970	4,016		4,016
	1980	8,577		8,577
	1990		***	10,350
	1991		***	10,243
	1992		***	10,403
	1993		***	10,365
	1994		***	11,179
	1995		***	10,745
	1996		***	10,550
	1997		***	10,410
	1998		***	10,022
	1999		***	10,223
	2000		***	10,293
<i>As of 1/1/**</i>	2001		***	12,799
	2002		***	13,250
	2003		***	13,350
	2004	5,946	7,617	13,563
	2005	5,982	7,667	13,649
	2006	5,880	7,717	13,597
	2007	6,346	7,413	13,759
	2008	6,214	7,413	13,627
	2009	6,318	7,299	13,617
	2010	5,819	8,209	14,028
	2011	5,890	8,286	14,176
	2012	5,819	8,209	14,028
	2013	6,186	8,307	14,493

*** No Data Kept for these years