

COUNTY OF MONO
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2011

COUNTY OF MONO
AUDIT REPORT

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INTRODUCTORY SECTION



DEPARTMENT OF FINANCE

COUNTY OF MONO

Rosemary Glazier
Assistant Finance Director
Treasurer-Tax Collector

Brian Muir
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, 2011, 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, excluding internal service funds, totaled \$47,167,300 in 2010-11, a decrease of 12.86 percent from 2009-10. The amount of variance from the prior fiscal year is shown in the following tabulation. For fiscal year 2010-11 this variance is greater than last year due mainly to the Proposition 8 adjustments making it to the roll and the associated refunds. Property values are down, and will continue to remain at a lower level while the economy is down both locally and on a broader basis.

| Sources: FY 2010-11 | Amount | Percent of Total | Increase (Decrease) from FY 2009-10 |
|----------------------------------|-------------------|------------------|--|
| Taxes and assessments | 21,223,655 | 45.00% | (2,911,117) |
| Licenses and permits | 601,816 | 1.28% | 38,548 |
| Fines, forfeitures and penalties | 1,270,257 | 2.69% | 290,955 |
| Use of money and property | 252,153 | 0.53% | (91,477) |
| Intergovernmental | 18,459,733 | 39.14% | (3,128,096) |
| Charges for current services | 4,878,509 | 10.34% | 598,240 |
| Other revenue | 478,177 | 1.01% | (1,754,817) |
| TOTAL | 47,164,300 | 100.00% | (6,957,764) |

Expenditures for all Governmental fund type functions, excluding internal service funds, totaled \$50,839,986, a decrease of 8.15 percent over 2009-10. The amount of variance from the prior fiscal year is shown in the following tabulation. The highest single increase is in General Government. The reductions generally can be attributed to Board of Supervisor policies for cost containment.

| Sources: FY 2010-11 | Amount | Percent of Total | Increase (Decrease) from FY 2009-10 |
|----------------------------|-------------------|------------------|---|
| General Government | 5,132,899 | 10.10% | (2,825,998) |
| Public Protection | 21,741,010 | 42.76% | (1,496,335) |
| Public Ways and Facilities | 8,378,593 | 16.48% | (489,170) |
| Health and Sanitation | 10,201,791 | 20.07% | 901,939 |
| Public Assistance | 4,413,448 | 8.68% | (442,252) |
| Education | 36,022 | 0.07% | (12,463) |
| Recreation and Culture | 42,048 | 0.08% | (10,089) |
| Capital Outlay | 894,175 | 1.76% | (139,512) |
| TOTAL | 50,839,986 | 100.00% | (4,513,880) |

At June 30, 2011, the Governmental fund types fund balance of \$14,665,641 was composed of the following:

| | |
|--------------------|--------------|
| General Fund | \$11,826,539 |
| Road Fund | \$ (916,037) |
| Bio-Terrorism | \$ (658,069) |
| Other Governmental | \$ 4,403,208 |

Not included in these Governmental Fund type balances, is \$40,885,191 of capital assets reported in governmental funds; and long-term liabilities, such as Capital leases, Claims Liability and Compensated absences, not included in governmental fund types reflect \$(400,405), (1,474,306) and \$(3,522,071) respectively, thus making the net assets \$55,072,967 for governmental activities.

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).

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, 2011, the amount in the general fixed asset account group of the County was \$40,885,191. This amount represents the book value of the assets, including those of the internal service funds. Of this amount, \$7,128,274 is non-depreciable.

March 20, 2012

Page 4 of 4

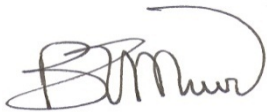
INDEPENDENT AUDIT

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

Mono County, along with most California counties, continues to fight the "budget battle" with slower growing revenues failing to keep up with increasing costs of providing services. While the County never quite realized all revenues associated with development and growth before the current economic decline, the demand for services is already present and the increased costs reflect that demand in spite of the cost saving measures imposed by the Board of Supervisors.

Respectfully submitted this 2nd day of March, 2012.

A handwritten signature in black ink, appearing to read "B. Muir", with a large, sweeping flourish above the name.

**BRIAN MUIR
DIRECTOR OF FINANCE
AUDITOR-CONTROLLER
COUNTY OF MONO**

BM/rr

COUNTY OF MONO
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2011

| <u>DEPARTMENT</u> | <u>DEPARTMENT OFFICIAL</u> |
|-----------------------------------|----------------------------------|
| Assessor | Jody Henning |
| Board of Supervisors | |
| District #1 | Larry Johnston |
| District #2 | Duane “Hap” Hazard, Chairman |
| District #3 | Vikki Magee-Bauer, Vice Chairman |
| District #4 | Tim Hansen |
| District #5 | Byng Hunt |
| Clerk-Recorder/Clerk of the Board | Lynda Roberts |
| County Counsel | Marshall Rudolph |
| County Administrative Officer | James Arkens |
| Finance Director | Brian Muir |
| Health Officer | Richard Johnson, MD |
| Combined Court | Stan Eller |
| Mental Health | Ann Gimpel |
| Probation | Beverlee Bryant |
| Public Health Director | Lynda Salcido |
| Public Works – Roads | Jeff Walters |
| Public Works – Engineering | Kelly Garcia |
| Sheriff-Coroner | Richard Scholl |
| Superintendent of Schools | Stacy Adler |
| Social Services | Julie Tiede |

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

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, California, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Mono, California. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Mono, California, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated March 20, 2012, 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary 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.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Mono's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Gallina LLP

Roseville, California
March 20, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2011. 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 \$52,006,319 (net assets). Of this amount, (\$2,900,840) is unrestricted for governmental activities and may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$2,021,848 from the June 30, 2010, report. This decrease is a result of a combination of factors. In anticipation of reduced revenues, the Board of Supervisors reduced their spending accordingly; however, due to reduced revenues and delayed receipt of intergovernmental funds, the county used part of their reserves to maintain services. Part of the enterprise fund long-term debt was reduced both by normal payments and then refunding the outstanding COP at a lower interest rate. Non-cash depreciation capital asset reductions accounted for the bulk of this decrease. Overall assets decreased 5.09% and liabilities increased 2.5% in governmental activities. The increase in liabilities was a result of increased deferred revenues.
- As of June 30, 2011, the County's governmental funds reported combined ending fund balances of \$14,655,641, a decrease of \$3,400,393 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 to be received in a timely fashion); increases in salaries and benefits payable while at the same time cash and investments decreased \$3.0 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,699,369, or 21.06% of total general fund expenditures, a 26.8% decrease from last year.
- Total long-term liabilities in the Solid Waste enterprise fund decreased by \$181,419 during the current fiscal year. The key factor in this decrease was the repayment of notes payable and certificates of participation offset by relatively small increased liability for closure/post closure costs.
- In September 2010 the Board of Supervisors authorized an interest free inter-fund loan from General Reserves to the Solid Waste Enterprise fund in the amount of \$1.2 million to be repaid over 10 years.
- For fiscal year 2010-11 the County implemented GASB 54 relating to fund balances. Further information on this change can be found in Note 1 (P) of the financial statements.

COUNTY OF MONO

Management Discussion and Analysis

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.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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

COUNTY OF MONO

Management Discussion and Analysis

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 101 individual governmental funds. On the financial statements for governmental funds information is presented separately for three major funds: the General Fund, the Road Fund, and the Bio Terrorism 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.

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.

COUNTY OF MONO

Management Discussion and Analysis

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. Comparison of the current year to the prior year will be slightly misleading as certain funds were removed from governmental funds to fiduciary funds. Most notable the trust for retirements and the County PERS obligation were the funds removed from the Countywide governmental assets.

Condensed Statement of Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Current and other assets | \$ 24,466,564 | \$ 25,716,600 | \$ 2,022,251 | \$ 2,386,145 | \$ 26,488,815 | \$ 28,102,745 |
| Capital assets | 40,885,191 | 43,139,363 | 4,769,705 | 2,838,363 | 45,654,896 | 45,977,726 |
| Total assets | <u>\$ 65,351,755</u> | <u>\$ 68,855,963</u> | <u>\$ 6,791,956</u> | <u>\$ 5,224,508</u> | <u>\$ 72,143,711</u> | <u>\$ 74,080,471</u> |
| Current and other liabilities | 4,881,906 | \$ 4,531,182 | 588,293 | \$ 572,970 | \$ 5,470,199 | \$ 5,104,152 |
| Long-term liabilities | 5,396,882 | 5,496,422 | 9,270,311 | 9,451,730 | 14,667,193 | 14,948,152 |
| Total liabilities | <u>10,278,788</u> | <u>10,027,604</u> | <u>9,858,604</u> | <u>10,024,700</u> | <u>20,137,392</u> | <u>20,052,304</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net | 40,484,686 | 42,622,801 | 4,569,705 | 2,605,028 | 45,054,391 | 45,227,829 |
| Restricted net assets | 9,852,768 | 7,108,061 | -- | -- | 9,852,768 | 7,108,061 |
| Unrestricted net assets | 4,735,513 | 9,097,497 | (7,636,353) | (7,405,220) | (2,900,840) | 1,692,277 |
| Total net assets | <u>55,072,967</u> | <u>58,828,359</u> | <u>(3,066,648)</u> | <u>(4,800,192)</u> | <u>52,006,319</u> | <u>54,028,167</u> |
| Total Liabilities and Net Assets | <u>\$ 65,351,755</u> | <u>\$ 68,855,963</u> | <u>\$ 6,791,956</u> | <u>\$ 5,224,508</u> | <u>\$ 72,143,711</u> | <u>\$ 74,080,471</u> |

Investment in capital assets net of related debt 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.

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

COUNTY OF MONO

Management Discussion and Analysis

Total unrestricted net assets represent (5.6%) of the total overall net assets and may be used to meet the County's ongoing obligations to citizens and creditors. Governmental activities unrestricted net assets represent 8.6% and may be used to meet the County's ongoing obligations for governmental activities.

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

| | Statement of Activities | | | | | |
|---------------------------------------|--------------------------------|----------------------|--------------------------|-----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Program Revenues: | | | | | | |
| Fees, Fines & Charges for services | \$ 6,864,660 | \$ 5,765,060 | \$ 2,379,791 | \$ 1,946,191 | \$ 9,244,451 | \$ 7,711,251 |
| Operating Grants | 19,611,416 | 20,697,355 | 11,000 | 11,000 | 19,622,416 | 20,708,355 |
| Capital Grants | 368,558 | 1,490,555 | 2,154,314 | 787,697 | 2,522,872 | 2,278,252 |
| General Revenues: | | | | | | |
| Property Taxes | 18,164,093 | 20,953,648 | -- | -- | 18,164,093 | 20,953,648 |
| Sales and Use taxes | 439,424 | 457,741 | -- | -- | 439,424 | 457,741 |
| Other Taxes | 2,620,138 | 2,723,383 | -- | -- | 2,620,138 | 2,723,383 |
| Other Revenue | 404,151 | 2,247,132 | 28,000 | 2 | 432,151 | 2,247,134 |
| Investment earnings | 261,312 | 359,670 | 21,709 | 53,053 | 283,021 | 412,723 |
| Total Revenues: | <u>48,733,752</u> | <u>54,694,544</u> | <u>4,594,814</u> | <u>2,797,943</u> | <u>53,328,566</u> | <u>57,492,487</u> |
| Expenses: | | | | | | |
| General Government | 5,245,004 | 7,968,103 | -- | -- | 5,245,004 | 7,968,103 |
| Public Protection | 21,951,443 | 23,165,245 | -- | -- | 21,951,443 | 23,165,245 |
| Public Ways and Facilities | 10,727,382 | 8,537,065 | -- | -- | 10,727,382 | 8,537,065 |
| Health and Sanitation | 10,208,802 | 9,047,728 | -- | -- | 10,208,802 | 9,047,728 |
| Public Assistance | 4,413,362 | 4,830,643 | -- | -- | 4,413,362 | 4,830,643 |
| Education | 36,022 | 48,485 | -- | -- | 36,022 | 48,485 |
| Culture and Recreation | 182,422 | 159,219 | -- | -- | 182,422 | 159,219 |
| Solid Waste Landfill | -- | -- | 2,866,937 | 2,967,528 | 2,866,937 | 2,967,528 |
| Airport | -- | -- | 63,245 | 147,724 | 63,245 | 147,724 |
| Cemeteries | -- | -- | 264 | 3,579 | 264 | 3,579 |
| Campgrounds | -- | -- | 18,884 | 20,511 | 18,884 | 20,511 |
| Total Expenditures: | <u>52,764,437</u> | <u>53,756,488</u> | <u>2,949,330</u> | <u>3,139,342</u> | <u>55,713,767</u> | <u>56,895,830</u> |
| Change in Net Assets before Transfers | (4,030,685) | 938,056 | 1,645,484 | (341,399) | (2,385,201) | 596,657 |
| Transfers | -- | (160,000) | -- | 160,000 | -- | -- |
| Change in Net Assets | <u>(4,030,685)</u> | <u>778,056</u> | <u>1,645,484</u> | <u>(181,399)</u> | <u>(2,385,201)</u> | <u>596,657</u> |
| Net Assets, beginning - restated | <u>59,103,652</u> | <u>58,050,303</u> | <u>(4,712,132)</u> | <u>(4,618,793)</u> | <u>54,391,520</u> | <u>53,431,510</u> |
| Net Assets, ending | <u>\$ 55,072,967</u> | <u>\$ 58,828,359</u> | <u>\$ (3,066,648)</u> | <u>\$ (4,800,192)</u> | <u>\$ 52,006,319</u> | <u>\$ 54,028,167</u> |

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

- Capital assets for governmental activities decreased by \$2,254,172 (5.23%) in fiscal year 2010-11 net of depreciation. Depreciation for 2010-11 was \$3,958,860. Details of these changes in assets and depreciation can be found in Note 5 of the financial statements.

COUNTY OF MONO

Management Discussion and Analysis

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, 2011, the County's governmental funds reported combined ending fund balances of \$14,655,641, a decrease of \$3,400,393 in comparison with the prior year. The decrease is partially comprised over-all expenditures exceeding over-all revenues. Approximately 45.60% of the total governmental fund balance \$6,682,277 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, 2011, unassigned fund balance of the general fund was \$8,699,369 while total fund balance reached \$11,826,539. As measures of the general fund's liquidity, it is useful to note that unassigned fund balance represents 21.06% percent of total fund expenditures, while total fund balance represents 28.64% percent of that same amount.

The Road fund had an unassigned negative fund balance of \$1,293,108 (restricted to road uses), while the total fund balance reached negative \$916,037 this year. These decreases over the prior year were caused by deferred revenues.

The Bioterrorism fund is considered a major fund. At June 30, 2011, the unassigned fund balance showed a deficit of \$658,069. This situation is due to delays in funding this expenditure grant once the expenditures have been made. The general fund covers this deficit while waiting for reimbursement.

Revenues for government functions totaled approximately \$47,164,300 for fiscal year 2010-11, which represents a decrease of 12.86% from fiscal year 2009-10. The greatest single decrease in revenues was from property taxes which comprises 45% of total revenues, followed by Intergovernmental revenues. While intergovernmental revenues constitute 39.14% of total

COUNTY OF MONO

Management Discussion and Analysis

revenues, much of intergovernmental revenues are grant based, hence if a grant is not awarded, it is accompanied by decreased spending for that particular program.

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

Governmental Funds Revenue

| Revenue Source | FY 2010-11 | | FY 2009-10 | | Change | |
|--------------------------------|----------------------|----------------|----------------------|----------------|-----------------------|----------------|
| | Amount | % of Total | Amount | % of Total | Amount | % of Change |
| Taxes | \$ 21,223,655 | 45.00% | \$ 24,134,772 | 44.59% | \$ (2,911,117) | -12.06% |
| Licenses and Permits | 601,816 | 1.28% | 563,268 | 1.04% | 38,548 | 6.84% |
| Fines, Forfeitures & Penalties | 1,270,257 | 2.69% | 979,302 | 1.81% | 290,955 | 29.71% |
| Use of Money & Property | 252,153 | 0.53% | 343,630 | 0.63% | (91,477) | -26.62% |
| Intergovernmental | 18,459,733 | 39.14% | 21,587,829 | 39.89% | (3,128,096) | -14.49% |
| Charges for Services | 4,878,509 | 10.34% | 4,280,269 | 7.91% | 598,240 | 13.98% |
| Other | 478,177 | 1.01% | 2,232,994 | 4.13% | (1,754,817) | -78.59% |
| Total | <u>\$ 47,164,300</u> | <u>100.00%</u> | <u>\$ 54,122,064</u> | <u>100.00%</u> | <u>\$ (6,957,764)</u> | <u>-12.86%</u> |

Significant changes for major revenue sources are explained below.

- Taxes – Tax revenues include sales taxes and property taxes that have suffered from economic turn-down. 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. The decrease is due mainly to Proposition 8 adjustment made by the Assessor not only to current year property values, but to prior years well resulting in a large volume of refunds in the current year.
- Fines, forfeitures and penalties – Mono County fines have increased. Many of the fines, forfeitures and penalties are generated by visiting tourists. This increase is due to increases in fines and the payoff of an audit penalty and the subsequent reimbursement by the Courts.
- Charges for Services – there has been very little change over the prior year. The increase is due to monitoring and adjusting fees to keep in line with the actual cost of providing the service.
- Use of money and property – The continued low interest rates combined with a draw down of reserves has contributed to the decrease in interest income.

COUNTY OF MONO

Management Discussion and Analysis

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

Governmental Funds Expenditures

| Function | FY 2010-11 | | FY 2009-10 | | Change | |
|----------------------------|----------------------|----------------|----------------------|----------------|-----------------------|---------------|
| | Amount | % of total | Amount | % of total | Amount | % of Change |
| General government | \$ 5,132,899 | 10.10% | \$ 7,958,897 | 14.38% | \$ (2,825,998) | -35.51% |
| Public protection | 21,741,010 | 42.76% | 23,237,345 | 41.98% | (1,496,335) | -6.44% |
| Public ways and facilities | 8,378,593 | 16.48% | 8,867,763 | 16.02% | (489,170) | -5.52% |
| Health and sanitation | 10,201,791 | 20.07% | 9,299,852 | 16.80% | 901,939 | 9.70% |
| Public assistance | 4,413,448 | 8.68% | 4,855,700 | 8.77% | (442,252) | -9.11% |
| Education | 36,022 | 0.07% | 48,485 | 0.09% | (12,463) | -25.70% |
| Recreation and culture | 42,048 | 0.08% | 52,137 | 0.09% | (10,089) | -19.35% |
| Capital outlay | 894,175 | 1.76% | 1,033,687 | 1.87% | (139,512) | -13.50% |
| Total | <u>\$ 50,839,986</u> | <u>100.00%</u> | <u>\$ 55,353,866</u> | <u>100.00%</u> | <u>\$ (4,513,880)</u> | <u>-8.15%</u> |

Significant changes for major functions are explained below.

- General government – \$2,825,998 decrease in expenditures resulted mainly from the difference in salaries and health benefits less cost saving measures implemented by the Board of Supervisors including, but not limited to a hiring freeze, consolidation on various management position and leaving vacant positions vacant.
- Public Protection – \$1,496,335 decrease in expenditures, like General government, resulted mainly from the differences in salaries and health benefits and the cost saving measures implemented by the Board of Supervisors.
- Public ways and facilities – Many road projects are grant funded. There was a 5.52% decrease resulting Board of Supervisors policies to reduce expenditures and the lack of intergovernmental revenues to fund various projects.
- Public assistance – FY 2010-11 saw a decrease in Public Assistance expenditures in the amount of \$442,252. 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.

COUNTY OF MONO

Management Discussion and Analysis

V. GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual General Fund revenues exceeded budgetary estimates by \$1,224,544. Actual expenditures were less than budgetary estimates by \$5,803,614. The net effect of both over-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$7,028,158, leaving a positive budgetary fund balance going into FY 2011-12.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County's investment in capital assets for its Governmental Activities as of June 30, 2011, amounts to \$40,885,191 (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 net investment in capital assets for the current period was 5.23% (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 \$3,958,860. Business type function assets increased \$1,931,342 to \$4,769,705 with current year depreciation amounting to \$58,283.

Capital Assets (Net of Depreciation)

| | Governmental activities | | Business-type activities | | Total | |
|---------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Land | \$ 6,676,450 | \$ 5,957,357 | \$ 233,335 | \$ 233,335 | \$ 6,909,785 | \$ 6,190,692 |
| Structures & improvements | 11,836,587 | 11,370,744 | 1,423,004 | 1,464,493 | 13,259,591 | 12,835,237 |
| Equipment | 3,856,105 | 4,557,727 | 38,623 | 55,417 | 3,894,728 | 4,613,144 |
| Infrastructure | 17,805,890 | 19,999,960 | -- | -- | 17,805,890 | 19,999,960 |
| Intangibles | 208,335 | 228,601 | -- | -- | 208,335 | 228,601 |
| Construction in progress | 501,824 | 1,024,974 | 3,074,743 | 1,085,118 | 3,576,567 | 2,110,092 |
| Total | <u>\$ 40,885,191</u> | <u>\$ 43,139,363</u> | <u>\$ 4,769,705</u> | <u>\$ 2,838,363</u> | <u>\$ 45,654,896</u> | <u>\$ 45,977,726</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, 2011, the County Governmental Accounts had total long-term liabilities outstanding of \$5,396,882, consisting of \$400,405 in capitalized lease obligations, \$3,522,071 in compensated absences, and \$1,474,306 in potential claims liability. The Business type accounts had \$3,397,000 in 2011 COP Refunding payable, \$200,000 in loans payable and \$5,599,624 in

COUNTY OF MONO

Management Discussion and Analysis

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.

VII. ECONOMIC FACTORS AND 2011-12 BUDGET AND RATES

- The unemployment rate for Mono County is currently 9.1 percent. This rate was not adjusted for seasonal employment. This compares favorably to the state's average unemployment rate of 10.9 percent in December 2011, but above the United States unemployment rate, at 8.5 percent.
- Property tax value is expected to remain relatively static in 2011-12. Since the first major declines in the past 3 years since 1978, property values have somewhat stabilized. There is very little new construction and the Assessor has processed most Prop 8 decline in 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 are expected to remain status quo due to the funding swaps for the repayment of State debt; however actual property tax receipts are expected remain static based upon the overall economy.
- The 2011-12 budget projects a 10% increase in health costs (6 months) included in benefits as a result of the escalating health costs nationwide. MOU negotiations will continue into 2011-12 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 2011-12 fiscal year.

During the current fiscal year, the unassigned general fund monies decreased to \$8,699,369. County reserves declined in 2010-11 by \$2.3 million. The County used \$1.2 million from reserves during 2010-11 fiscal year and expects to use \$750,000 in 2011-12 funding the Solid Waste Program. Approximately \$500,000 is scheduled for contingencies in 2011-12.

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

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

COUNTY OF MONO

Statement of Net Assets

June 30, 2011

| | Primary Government | | Totals |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | |
| ASSETS | | | |
| Cash and investments | \$ 10,453,910 | \$ 411,261 | \$ 10,865,171 |
| Cash with fiscal agent | -- | 73,956 | 73,956 |
| Restricted cash | -- | 2,425,620 | 2,425,620 |
| Accounts receivable | 812,599 | 161,741 | 974,340 |
| Due from other governments | 4,766,316 | 764,724 | 5,531,040 |
| Taxes receivable | 1,310,100 | -- | 1,310,100 |
| Deposits with others | 3,981,271 | -- | 3,981,271 |
| Prepaid expenses | 153,956 | -- | 153,956 |
| Inventories | 378,337 | 2,112 | 380,449 |
| Other asset - OPEB | 792,912 | -- | 792,912 |
| Internal balances | 1,817,163 | (1,817,163) | -- |
| Capital assets: | | | |
| Nondepreciable | 7,178,274 | 3,308,078 | 10,486,352 |
| Depreciable, net | 33,706,917 | 1,461,627 | 35,168,544 |
| Total Assets | <u>\$ 65,351,755</u> | <u>\$ 6,791,956</u> | <u>\$ 72,143,711</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 836,222 | \$ 251,210 | \$ 1,087,432 |
| Salaries and benefits payable | 2,758,474 | 72,298 | 2,830,772 |
| Retention payable | 75,715 | 240,496 | 316,211 |
| Interest payable | -- | 24,289 | 24,289 |
| Deposits from others | 4,095 | -- | 4,095 |
| Unearned revenue | 1,207,400 | -- | 1,207,400 |
| Long-Term Liabilities: | | | |
| Portion due or payable within one year: | | | |
| Certificates of participation, net of amortized discount | -- | 183,400 | 183,400 |
| Capital leases | 94,637 | -- | 94,637 |
| Loan payable | -- | 33,333 | 33,333 |
| Liability for compensated absences | 704,414 | 5,109 | 709,523 |
| Claims liability | 1,474,306 | -- | 1,474,306 |
| Portion due or payable after one year: | | | |
| Certificates of participation, net of amortized discount | -- | 3,213,600 | 3,213,600 |
| Capital leases | 305,868 | -- | 305,868 |
| Loan payable | -- | 166,667 | 166,667 |
| Liability for compensated absences | 2,817,657 | 68,578 | 2,886,235 |
| Closure/post-closure liability | -- | 5,599,624 | 5,599,624 |
| Total Liabilities | <u>10,278,788</u> | <u>9,858,604</u> | <u>20,137,392</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 40,484,686 | 4,569,705 | 45,054,391 |
| Restricted for: | | | |
| Legally segregated taxes, grants and fees | 8,744,540 | -- | 8,744,540 |
| Debt service and capital projects | 1,108,228 | -- | 1,108,228 |
| Unrestricted | 4,735,513 | (7,636,353) | (2,900,840) |
| Total Net Assets | <u>55,072,967</u> | <u>(3,066,648)</u> | <u>52,006,319</u> |
| Total Liabilities and Net Assets | <u>\$ 65,351,755</u> | <u>\$ 6,791,956</u> | <u>\$ 72,143,711</u> |

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

COUNTY OF MONO

Statement of Activities For the Year Ended June 30, 2011

| 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 | \$ 12,680,472 | \$ (7,435,468) | \$ 2,397,490 | \$ 2,550,949 | \$ -- |
| Public protection | 17,723,236 | 4,228,207 | 1,073,931 | 4,016,440 | -- |
| Public ways and facilities | 9,433,098 | 1,294,284 | 865,479 | 4,311,241 | 368,558 |
| Health and sanitation | 9,018,936 | 1,189,866 | 2,404,474 | 4,958,703 | -- |
| Public assistance | 3,690,251 | 723,111 | 123,286 | 3,764,422 | -- |
| Education | 36,022 | -- | -- | 9,661 | -- |
| Recreation and culture | 182,422 | -- | -- | -- | -- |
| Total Governmental Activities | 52,764,437 | -- | 6,864,660 | 19,611,416 | 368,558 |
| Business-Type Activities: | | | | | |
| Solid Waste | 2,866,937 | -- | 2,338,915 | 11,000 | -- |
| Airport | 63,245 | -- | 10,660 | -- | 2,154,314 |
| Cemeteries | 264 | -- | -- | -- | -- |
| Campgrounds | 18,884 | -- | 30,216 | -- | -- |
| Total Business-type Activities | 2,949,330 | -- | 2,379,791 | 11,000 | 2,154,314 |
| Total Mono County | \$ 55,713,767 | \$ -- | \$ 9,244,451 | \$ 19,622,416 | \$ 2,522,872 |

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Transient occupancy tax

Other

Unrestricted interest and investment earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year, restated

Net Assets - End of Year

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

Net (Expense) Revenue and
Changes in Net Assets

| Primary Government | | |
|----------------------------|-----------------------------|----------------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (296,565) | \$ -- | \$ (296,565) |
| (16,861,072) | -- | (16,861,072) |
| (5,182,104) | -- | (5,182,104) |
| (2,845,625) | -- | (2,845,625) |
| (525,654) | -- | (525,654) |
| (26,361) | -- | (26,361) |
| (182,422) | -- | (182,422) |
| <u>(25,919,803)</u> | <u>--</u> | <u>(25,919,803)</u> |
| -- | (517,022) | (517,022) |
| -- | 2,101,729 | 2,101,729 |
| -- | (264) | (264) |
| -- | 11,332 | 11,332 |
| <u>--</u> | <u>1,595,775</u> | <u>1,595,775</u> |
| <u>(25,919,803)</u> | <u>1,595,775</u> | <u>(24,324,028)</u> |
| 18,164,093 | -- | 18,164,093 |
| 439,424 | -- | 439,424 |
| 2,323,041 | -- | 2,323,041 |
| 297,097 | -- | 297,097 |
| 261,312 | 21,709 | 283,021 |
| 404,151 | 28,000 | 432,151 |
| <u>21,889,118</u> | <u>49,709</u> | <u>21,938,827</u> |
| (4,030,685) | 1,645,484 | (2,385,201) |
| <u>59,103,652</u> | <u>(4,712,132)</u> | <u>54,391,520</u> |
| <u>\$ 55,072,967</u> | <u>\$ (3,066,648)</u> | <u>\$ 52,006,319</u> |

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

COUNTY OF MONO

Balance Sheet Governmental Funds June 30, 2011

| | General | Road | Bio Terrorism | Other Governmental | Total |
|-------------------------------------|----------------------|---------------------|-------------------|-----------------------|----------------------|
| <u>Assets</u> | | | | | |
| Cash and investments | \$ 5,546,106 | \$ -- | \$ -- | \$ 4,230,375 | \$ 9,776,481 |
| Accounts receivable | 811,930 | 322 | -- | 347 | 812,599 |
| Due from other governments | 1,864,267 | 2,254,489 | 398,905 | 248,655 | 4,766,316 |
| Taxes receivable | 1,310,100 | -- | -- | -- | 1,310,100 |
| Deposits with others | 3,981,271 | -- | -- | -- | 3,981,271 |
| Prepays | 151,343 | -- | -- | 2,613 | 153,956 |
| Inventories | 1,266 | 377,071 | -- | -- | 378,337 |
| Due from other funds | 2,327,694 | -- | -- | -- | 2,327,694 |
| Advances to other funds | 1,080,000 | -- | -- | -- | 1,080,000 |
| Total Assets | <u>\$ 17,073,977</u> | <u>\$ 2,631,882</u> | <u>\$ 398,905</u> | <u>\$ 4,481,990</u> | <u>\$ 24,586,754</u> |
| <u>Liabilities</u> | | | | | |
| Accounts payable | \$ 295,956 | \$ 459,029 | \$ 68,888 | \$ 6,919 | \$ 830,792 |
| Salaries and benefits payable | 2,518,011 | 205,111 | 21,480 | 13,872 | 2,758,474 |
| Retention payable | -- | 75,715 | -- | -- | 75,715 |
| Due to other funds | -- | 843,456 | 668,201 | 53,896 | 1,565,553 |
| Deposits from others | -- | -- | -- | 4,095 | 4,095 |
| Unearned revenue | 1,207,400 | -- | -- | -- | 1,207,400 |
| Deferred revenue | 1,226,071 | 1,964,608 | 298,405 | -- | 3,489,084 |
| Total Liabilities | <u>5,247,438</u> | <u>3,547,919</u> | <u>1,056,974</u> | <u>78,782</u> | <u>9,931,113</u> |
| <u>Fund Balances</u> | | | | | |
| Nonspendable | 1,232,609 | 377,071 | -- | 2,613 | 1,612,293 |
| Restricted | 1,894,561 | -- | -- | 3,358,282 | 5,252,843 |
| Assigned | -- | -- | -- | 1,108,228 | 1,108,228 |
| Unassigned | 8,699,369 | (1,293,108) | (658,069) | (65,915) | 6,682,277 |
| Total Fund Balances | <u>11,826,539</u> | <u>(916,037)</u> | <u>(658,069)</u> | <u>4,403,208</u> | <u>14,655,641</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,073,977</u> | <u>\$ 2,631,882</u> | <u>\$ 398,905</u> | <u>\$ 4,481,990</u> | <u>\$ 24,586,754</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 Assets - Governmental Activities June 30, 2011

| | |
|--|----------------------|
| Fund Balance - total governmental funds (page 20) | \$ 14,655,641 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | |
| Other post employment benefit asset | 792,912 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | |
| | 38,926,055 |
| Deferred revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds. | |
| | 3,489,084 |
| 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 assets. | |
| | 2,606,157 |
| Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds. | |
| Capital leases | (400,505) |
| Claims liability | (1,474,306) |
| Compensated absences | <u>(3,522,071)</u> |
| Net assets of governmental activities (page 18) | <u>\$ 55,072,967</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, 2011

| | General | Road | Bio Terrorism | Other Governmental | Total |
|--|----------------------|---------------------|---------------------|-----------------------|----------------------|
| Revenues: | | | | | |
| Taxes | \$ 21,042,521 | \$ -- | \$ -- | \$ 181,134 | \$ 21,223,655 |
| Licenses and permits | 598,014 | 3,802 | -- | -- | 601,816 |
| Fines, forfeitures and penalties | 841,534 | 54,862 | -- | 373,861 | 1,270,257 |
| Use of money and property | 214,343 | 5,103 | (6,140) | 38,847 | 252,153 |
| Intergovernmental | 12,961,439 | 2,715,191 | 513,593 | 2,269,510 | 18,459,733 |
| Charges for services | 4,079,829 | 709,616 | -- | 89,064 | 4,878,509 |
| Other revenues | 333,477 | 58,710 | -- | 85,990 | 478,177 |
| Total Revenues | <u>40,071,157</u> | <u>3,547,284</u> | <u>507,453</u> | <u>3,038,406</u> | <u>47,164,300</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 4,974,544 | -- | -- | 158,355 | 5,132,899 |
| Public protection | 20,515,537 | -- | 533,525 | 691,948 | 21,741,010 |
| Public ways and facilities | 1,564,178 | 6,795,290 | -- | 19,125 | 8,378,593 |
| Health and sanitation | 9,867,392 | -- | -- | 334,399 | 10,201,791 |
| Public assistance | 4,298,501 | -- | -- | 114,947 | 4,413,448 |
| Education | 36,022 | -- | -- | -- | 36,022 |
| Recreation and culture | 42,048 | -- | -- | -- | 42,048 |
| Capital outlay | -- | -- | -- | 894,175 | 894,175 |
| Total Expenditures | <u>41,298,222</u> | <u>6,795,290</u> | <u>533,525</u> | <u>2,212,949</u> | <u>50,839,986</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,227,065)</u> | <u>(3,248,006)</u> | <u>(26,072)</u> | <u>825,457</u> | <u>(3,675,686)</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 461,161 | 550,000 | 61,921 | 444,734 | 1,517,816 |
| Transfers out | (938,297) | -- | -- | (579,519) | (1,517,816) |
| Total Other Financing Sources (Uses) | <u>(477,136)</u> | <u>550,000</u> | <u>61,921</u> | <u>(134,785)</u> | <u>--</u> |
| Net Changes in Fund Balances | (1,704,201) | (2,698,006) | 35,849 | 690,672 | (3,675,686) |
| Fund Balances, Beginning of Year, restated | <u>13,530,740</u> | <u>1,781,969</u> | <u>(693,918)</u> | <u>3,712,536</u> | <u>18,331,327</u> |
| Fund Balances, End of Year | <u>\$ 11,826,539</u> | <u>\$ (916,037)</u> | <u>\$ (658,069)</u> | <u>\$ 4,403,208</u> | <u>\$ 14,655,641</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, 2011

| | | |
|---|--------------------|------------------------------|
| Net change to fund balance - total governmental funds (page 22) | | \$ (3,675,686) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| <p>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.</p> | | |
| Expenditures for general capital assets, infrastructure, and other related capital assets adjustments | \$ 1,331,737 | |
| Less: current year depreciation | <u>(3,331,181)</u> | (1,999,444) |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p> | | |
| | | 1,634,319 |
| <p>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.</p> | | |
| Change in compensated absences | | 106,023 |
| Change in claims liability | | (122,540) |
| <p>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.</p> | | |
| | | 108,233 |
| <p>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.</p> | | |
| | | <u>(81,590)</u> |
| Change in net assets of governmental activities (page 19) | | <u><u>\$ (4,030,685)</u></u> |

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

COUNTY OF MONO

Statement of Fund Net Assets
Proprietary Funds
June 30, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | Solid Waste | Airport | Nonmajor | Total | Internal |
| | | | Enterprise Funds | Enterprise Funds | Service Funds |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and investments | \$ 250 | \$ 296,944 | \$ 114,067 | \$ 411,261 | \$ 677,429 |
| Cash with fiscal agent | 73,956 | -- | -- | 73,956 | -- |
| Accounts receivable | 161,741 | -- | -- | 161,741 | -- |
| Due from other governments | 279,630 | 485,094 | -- | 764,724 | -- |
| Inventory | -- | 2,112 | -- | 2,112 | -- |
| Total Current Assets | <u>515,577</u> | <u>784,150</u> | <u>114,067</u> | <u>1,413,794</u> | <u>677,429</u> |
| Noncurrent Assets: | | | | | |
| Restricted cash in Treasury | 2,425,620 | -- | -- | 2,425,620 | -- |
| Capital assets: | | | | | |
| Non-depreciable | -- | 3,308,078 | -- | 3,308,078 | -- |
| Depreciable, net | <u>878,647</u> | <u>582,980</u> | <u>--</u> | <u>1,461,627</u> | <u>1,959,136</u> |
| Total Noncurrent Assets | <u>3,304,267</u> | <u>3,891,058</u> | <u>--</u> | <u>7,195,325</u> | <u>1,959,136</u> |
| Total Assets | <u>\$ 3,819,844</u> | <u>\$ 4,675,208</u> | <u>\$ 114,067</u> | <u>\$ 8,609,119</u> | <u>\$ 2,636,565</u> |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 86,500 | 164,072 | 638 | 251,210 | 5,430 |
| Salaries and benefits payable | 72,298 | -- | -- | 72,298 | -- |
| Retention payable | -- | 240,496 | -- | 240,496 | -- |
| Interest payable | 24,289 | -- | -- | 24,289 | -- |
| Due to other funds | 737,163 | -- | -- | 737,163 | 24,978 |
| Certificates of participation | 183,400 | -- | -- | 183,400 | -- |
| Loan payable | 33,333 | -- | -- | 33,333 | -- |
| Compensated absences | 5,109 | -- | -- | 5,109 | -- |
| Total Current Liabilities | <u>1,142,092</u> | <u>404,568</u> | <u>638</u> | <u>1,547,298</u> | <u>30,408</u> |
| Noncurrent Liabilities: | | | | | |
| Advances from other funds | 1,080,000 | -- | -- | 1,080,000 | -- |
| Refunded certificates of participation, net of unamortized discount | 3,213,600 | -- | -- | 3,213,600 | -- |
| Loan payable | 166,667 | -- | -- | 166,667 | -- |
| Compensated absences | 68,578 | -- | -- | 68,578 | -- |
| Closure and postclosure liability | 5,599,624 | -- | -- | 5,599,624 | -- |
| Total Noncurrent Liabilities | <u>10,128,469</u> | <u>--</u> | <u>--</u> | <u>10,128,469</u> | <u>--</u> |
| Total Liabilities | <u>11,270,561</u> | <u>404,568</u> | <u>638</u> | <u>11,675,767</u> | <u>30,408</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 678,647 | 3,891,058 | -- | 4,569,705 | 1,959,136 |
| Unrestricted | <u>(8,129,364)</u> | <u>379,582</u> | <u>113,429</u> | <u>(7,636,353)</u> | <u>647,021</u> |
| Total Net Assets | <u>(7,450,717)</u> | <u>4,270,640</u> | <u>113,429</u> | <u>(3,066,648)</u> | <u>2,606,157</u> |
| Total Liabilities and Net Assets | <u>\$ 3,819,844</u> | <u>\$ 4,675,208</u> | <u>\$ 114,067</u> | <u>\$ 8,609,119</u> | <u>\$ 2,636,565</u> |

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

COUNTY OF MONO

Statement of Revenues, Expenses and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended June 30, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|--|---|----------------------------|--------------------------|------------------------------|------------------------------|
| | | | Nonmajor | Total | Activities |
| | Solid Waste | Airport | Enterprise Funds | Enterprise Funds | Internal Service Funds |
| Operating Revenues: | | | | | |
| Charges for services | \$ 2,338,915 | \$ 10,660 | \$ 30,216 | \$ 2,379,791 | \$ 784,408 |
| Total Operating Revenues | <u>2,338,915</u> | <u>10,660</u> | <u>30,216</u> | <u>2,379,791</u> | <u>784,408</u> |
| Operating Expenses: | | | | | |
| Salaries and benefits | 900,959 | -- | -- | 900,959 | -- |
| Services and supplies | 1,480,689 | 48,915 | 19,148 | 1,548,752 | 318,933 |
| Closure and postclosure costs | 48,747 | -- | -- | 48,747 | -- |
| Depreciation and amortization | 43,953 | 14,330 | -- | 58,283 | 627,679 |
| Total Operating Expenses | <u>2,474,348</u> | <u>63,245</u> | <u>19,148</u> | <u>2,556,741</u> | <u>946,612</u> |
| Operating Income (Loss) | <u>(135,433)</u> | <u>(52,585)</u> | <u>11,068</u> | <u>(176,950)</u> | <u>(162,204)</u> |
| Non-Operating Revenue (Expenses): | | | | | |
| Interest income | 21,012 | (792) | 1,489 | 21,709 | 9,159 |
| Interest expense | (392,589) | -- | -- | (392,589) | -- |
| Operating grants | 11,000 | -- | -- | 11,000 | -- |
| Miscellaneous | 28,000 | -- | -- | 28,000 | 71,455 |
| Total Non-Operating Revenue (Expenses) | <u>(332,577)</u> | <u>(792)</u> | <u>1,489</u> | <u>(331,880)</u> | <u>80,614</u> |
| Income (Loss) Before Transfers and Contributions | (468,010) | (53,377) | 12,557 | (508,830) | (81,590) |
| Capital contributions | -- | 2,154,314 | -- | 2,154,314 | -- |
| Change in Net Assets | (468,010) | 2,100,937 | 12,557 | 1,645,484 | (81,590) |
| Net Assets - Beginning of Year, restated | <u>(6,982,707)</u> | <u>2,169,703</u> | <u>100,872</u> | <u>(4,712,132)</u> | <u>2,687,747</u> |
| Net Assets - End of Year | <u><u>\$ (7,450,717)</u></u> | <u><u>\$ 4,270,640</u></u> | <u><u>\$ 113,429</u></u> | <u><u>\$ (3,066,648)</u></u> | <u><u>\$ 2,606,157</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, 2011

| | 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 | \$ 2,076,728 | \$ 173,838 | \$ 30,216 | \$ 2,280,782 | \$ -- |
| Cash receipts from internal fund services provided | -- | -- | -- | -- | 784,408 |
| Cash paid to suppliers for goods and services | (1,341,398) | (48,915) | (18,510) | (1,408,823) | (316,130) |
| Cash paid to employees for services | (879,370) | -- | -- | (879,370) | -- |
| Net Cash Provided (Used) by Operating Activities | (144,040) | 124,923 | 11,706 | (7,411) | 468,278 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Interfund loans | (724,955) | -- | -- | (724,955) | 7,094 |
| Interfund advance from the General Fund | 1,080,000 | -- | -- | 1,080,000 | -- |
| Miscellaneous | 28,000 | -- | -- | 28,000 | -- |
| Operating grants | 11,000 | -- | -- | 11,000 | -- |
| Proceeds from refunded certificates of participation | 3,609,000 | -- | -- | 3,609,000 | -- |
| Refunding of certificates of participation | (3,677,907) | -- | -- | (3,677,907) | -- |
| Principal repayments | (212,000) | -- | -- | (212,000) | -- |
| Interest payments and related fiscal charges | (400,036) | -- | -- | (400,036) | -- |
| Net Cash Provided (Used) by Noncapital Financing Activities | (286,898) | -- | -- | (286,898) | 7,094 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Capital grants | -- | 2,045,268 | -- | 2,045,268 | -- |
| Payments related to the acquisition of capital assets | -- | (1,956,238) | -- | (1,956,238) | (503,571) |
| Principal repayments related on capital purposes | (33,334) | -- | -- | (33,334) | -- |
| Sale of capital assets | -- | -- | -- | -- | 86,018 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (33,334) | 89,030 | -- | 55,696 | (417,553) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received (paid) | 21,012 | (792) | 1,489 | 21,709 | 9,159 |
| Net Cash Provided (Used) by Investing Activities | 21,012 | (792) | 1,489 | 21,709 | 9,159 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (443,260) | 213,161 | 13,195 | (216,904) | 66,978 |
| Cash and Cash Equivalents, Beginning of Year | 2,943,086 | 83,783 | 100,872 | 3,127,741 | 610,451 |
| Cash and Cash Equivalents, End of Year | \$ 2,499,826 | \$ 296,944 | \$ 114,067 | \$ 2,910,837 | \$ 677,429 |
| Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Assets | | | | | |
| Cash and investments | \$ 250 | \$ 296,944 | \$ 114,067 | \$ 411,261 | \$ 677,429 |
| Cash with fiscal agent | 73,956 | -- | -- | 73,956 | -- |
| Restricted cash in Treasury | 2,425,620 | -- | -- | 2,425,620 | -- |
| Total Cash and Cash Equivalents | \$ 2,499,826 | \$ 296,944 | \$ 114,067 | \$ 2,910,837 | \$ 677,429 |

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

continued

COUNTY OF MONO

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Year Ended June 30, 2011

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|---|---|-------------------|---------------------|---------------------|-------------------|
| | | | Nonmajor | Total | Internal |
| | Solid Waste | Airport | Enterprise Funds | Enterprise Funds | Service Fund |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating income (loss) | \$ (135,433) | \$ (52,585) | \$ 11,068 | \$ (176,950) | \$ (162,204) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 43,953 | 14,330 | -- | 58,283 | 627,679 |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in: | | | | | |
| Receivables | (262,187) | 163,178 | -- | (99,009) | -- |
| Increase (decrease) in: | | | | | |
| Accounts payable | 80,763 | -- | 638 | 81,401 | 2,803 |
| Accrued salaries and benefits | (3,958) | -- | -- | (3,958) | -- |
| Closure and postclosure liability | 107,275 | -- | -- | 107,275 | -- |
| Liability for compensated absences | 25,547 | -- | -- | 25,547 | -- |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (144,040)</u> | <u>\$ 124,923</u> | <u>\$ 11,706</u> | <u>\$ (7,411)</u> | <u>\$ 468,278</u> |

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

COUNTY OF MONO

Statement of Fiduciary Net Assets
June 30, 2011

| | Investment Trust Fund | Agency Funds |
|--|-----------------------------|---------------------|
| <u>Assets</u> | | |
| Pooled cash and investments | \$ 44,179,035 | \$ 5,695,898 |
| Total Assets | <u>\$ 44,179,035</u> | <u>\$ 5,695,898</u> |
| <u>Liabilities</u> | | |
| Agency funds held for others | \$ -- | \$ 5,695,898 |
| Total Liabilities | <u>--</u> | <u>5,695,898</u> |
| <u>Net assets</u> | | |
| Net assets held in trust for investment pool participants | <u>44,179,035</u> | <u>--</u> |
| Total Net Assets | <u>\$ 44,179,035</u> | <u>\$ --</u> |

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

COUNTY OF MONO

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

| | Investment Trust Fund |
|---------------------------------------|-----------------------------|
| <u>Additions</u> | |
| Contributions to pooled investments | \$ 51,349,375 |
| Net investment income: | |
| Investment income | <u>641,402</u> |
| Total Additions | <u>51,990,777</u> |
| <u>Deductions</u> | |
| Distributions from pooled investments | <u>53,638,865</u> |
| Total Deductions | <u>53,638,865</u> |
| Change in net assets | (1,648,088) |
| Net Assets - Beginning of Year | <u>45,827,123</u> |
| Net Assets - End of Year | <u><u>\$ 44,179,035</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, 2011

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.

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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

When both restricted and unrestricted net assets 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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

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 *Bioterrorism Fund* is used primarily to account for the bioterrorism grant programs.

The County reports the following major enterprise funds:

- The *Mono County Solid Waste Fund* is used to account for revenues and expenses necessary to carryout 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. 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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

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.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

D. New Accounting Pronouncements

Governmental Accounting Standards Board Statement 54

For the fiscal year ended June 30, 2011, the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements of this statement are effective for financial statement periods beginning after June 15, 2010.

GASB 54 establishes new accounting and financial reporting standards for all governments that report governmental funds. The statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and it clarifies the existing governmental fund type definitions to improve the comparability of governmental fund statements. GASB 54 establishes fund balance classifications that are hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

E. 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 4 on Cash and Investments.

F. 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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

G. 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.

H. 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.

I. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated 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.

J. Deferred Revenue and Unearned Revenue

Governmental funds report deferred 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, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

K. **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.

L. **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.

M. **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).

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

M. Property Tax Revenue (continued)

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.

N. 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 deferred revenue.

O. Net Assets/Fund Balance

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. 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 Assets* – 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 Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

O. **Net Assets/Fund Balance** (continued)

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, 2011, 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.

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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

P. 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 assets at June 30, 2011, as follows:

| <u>Fund</u> | <u>Deficit</u> |
|------------------------|----------------|
| Special Revenue Funds: | |
| Tobacco | \$ 65,915 |
| Bioterrorism | 658,069 |
| Road | 916,037 |
| Enterprise Funds: | |
| Solid Waste | 7,450,717 |

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, 2011

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, 2011, total County cash and investments were as follows:

| | |
|---|----------------------|
| Cash on hand | \$ 15,609 |
| Imprest cash | 1,120 |
| Deposits in bank | <u>3,212,714</u> |
| Total | <u>3,229,443</u> |
| Investments: | |
| In Treasurer's pool | 59,936,281 |
| With fiscal agents external to the pool | <u>73,956</u> |
| | <u>60,010,237</u> |
| Total Cash and Investments | <u>\$ 63,239,680</u> |

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

| | |
|--------------------------|----------------------|
| Governmental activities | \$ 10,453,910 |
| Business-type activities | 2,910,837 |
| Investment trust fund | 44,179,035 |
| Agency funds | <u>5,695,898</u> |
| Total | <u>\$ 63,239,680</u> |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 3: **Cash and Investments** (continued)

Investments

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

| <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 | None | None |
| Banker's Acceptances | 180 days | 40% | 30% |
| Commercial Paper - Selected Agencies | 270 days | 40% | 10% |
| Commercial Paper - Other Agencies | 270 days | 40% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Non-negotiable Certificates of Deposit | 5 years | None | None |
| Repurchase Agreements | 1 year | None | None |
| Medium-Term Corporate Notes | 5 years | 30% | None |
| Money Market Mutual Funds | N/A | N/A | N/A |
| Local Agency Investment Fund (LAIF) | 5 years | N/A | N/A |
| California Asset Management Program | N/A | None | None |

At June 30, 2011, 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 | 1.125% - 2.645% | 09/30/13 - 06/30/16 | \$ 27,360,000 | \$ 27,306,831 | \$ 27,349,000 | 3.76 |
| Medium Term Corporate Bonds | 1.125% - 6.2% | 05/11/12 - 07/27/15 | 14,484,000 | 15,208,785 | 15,332,354 | 2.08 |
| Municipal Bonds | 3.50% - 5.09% | 09/01/12 - 05/01/16 | 3,430,000 | 3,473,477 | 3,538,176 | 3.14 |
| Money Market Mutual Funds | Variable | On Demand | 4,955,491 | 4,955,491 | 4,955,491 | 0.00 |
| LAIF | Variable | On Demand | 8,761,260 | 8,761,260 | 8,761,260 | 0.00 |
| Total investments in investment pool | | | <u>\$ 58,990,751</u> | <u>\$ 59,705,844</u> | <u>\$ 59,936,281</u> | <u>2.43</u> |
| Investments outside Investment Pool | | | | | | |
| Primary Government: | | | | | | |
| <i>Cash held with fiscal agent</i> | | | | | | |
| Money Market Mutual Funds | Variable | On Demand | <u>\$ 73,956</u> | <u>\$ 73,956</u> | <u>\$ 73,956</u> | |

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 3: **Cash and Investments** (continued)

The fair value of the investments is obtained by the County's safekeeping agent. At June 30, 2011, the difference between the cost and fair value of cash and investments was not material (fair value was 99.61% 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 five years or less in accordance with its investment policy.

Credit Risk

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

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2011.

| | <u>Quality Rating Range</u> | <u>% of Portfolio</u> |
|--|-----------------------------|-----------------------|
| Federal Home Loan Bank (FHLB) | AAA | 13.99% |
| Federal Home Loan Mortgage-Corp (FHLMC) | AAA to AA+ | 21.76% |
| Federal National Mortgage Association (FNMA) | AAA | 10.05% |
| Money Market | Unrated | 14.67% |
| Local Agency Investment Fund (LAIF) | Unrated | 8.30% |
| Corporate Notes | AAA to A1 | 31.23% |
| Total | | <u>100.00%</u> |

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 3: **Cash and Investments** (continued)

Concentration of Credit Risk (continued)

At June 30, 2011, 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 Home Loan Bank | 13.99% | \$ 8,355,043 |
| Federal Home Loan Mortgage Corporation | 21.76% | 12,994,335 |
| Federal National Mortgage Association | 10.05% | 6,000,000 |

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

At June 30, 2011, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$8,761,260, which approximates fair value and is the same as 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 \$60.4 million. Of that amount, 5.42% was invested in structured notes and asset-backed securities, and the remaining 94.58% was invested in other non-derivative financial products.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 3: **Cash and Investments** (continued)

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2011:

Statement of Net Assets

| | |
|---------------------------------------|----------------------|
| Net assets held for pool participants | <u>\$ 63,164,604</u> |
| Equity of external pool participants | \$ 44,179,035 |
| Equity of internal pool participants | <u>18,985,569</u> |
| Total net assets | <u>\$ 63,164,604</u> |

Statement of Changes in Net Assets

| | |
|--|----------------------|
| Net assets at July 1, 2010 | 66,060,136 |
| Net change in investments by pool participants | <u>(2,895,532)</u> |
| Net assets at June 30, 2011 | <u>\$ 63,164,604</u> |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

| | Balance July 1, 2010 | Additions | Deletions | Transfers & Adjustments | Balance June 30, 2011 |
|--|-------------------------|-----------------------|--------------------|----------------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 5,957,357 | \$ 719,093 | \$ -- | \$ -- | \$ 6,676,450 |
| Construction in progress | 1,024,974 | 399,475 | (20,022) | (902,603) | 501,824 |
| Total capital assets, not being depreciated | <u>6,982,331</u> | <u>1,118,568</u> | <u>(20,022)</u> | <u>(902,603)</u> | <u>7,178,274</u> |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | 85,825,999 | -- | -- | -- | 85,825,999 |
| Structures and improvements | 17,297,085 | 66,036 | -- | 885,241 | 18,248,362 |
| Equipment | 17,247,950 | 586,451 | (1,713,612) | 17,362 | 16,138,151 |
| Intangibles | 247,460 | 30,230 | -- | -- | 277,690 |
| Total capital assets, being depreciated | <u>120,618,494</u> | <u>682,717</u> | <u>(1,713,612)</u> | <u>902,603</u> | <u>120,490,202</u> |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (65,826,039) | (2,194,070) | -- | -- | (68,020,109) |
| Structures and improvements | (5,926,341) | (485,434) | -- | -- | (6,411,775) |
| Equipment | (12,690,223) | (1,228,860) | 1,637,037 | -- | (12,282,046) |
| Intangibles | (18,859) | (50,496) | -- | -- | (69,355) |
| Total accumulated depreciation | <u>(84,461,462)</u> | <u>(3,958,860)</u> | <u>1,637,037</u> | <u>--</u> | <u>(86,783,285)</u> |
| Total capital assets, being depreciated, net | <u>36,157,032</u> | <u>(3,276,143)</u> | <u>(76,575)</u> | <u>902,603</u> | <u>33,706,917</u> |
| Governmental activities capital assets, net | <u>\$ 43,139,363</u> | <u>\$ (2,157,575)</u> | <u>\$ (96,597)</u> | <u>\$ --</u> | <u>40,885,191</u> |
| Business-Type Activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 233,335 | \$ -- | \$ -- | \$ -- | \$ 233,335 |
| Construction in progress | 1,085,118 | 1,989,625 | -- | -- | 3,074,743 |
| Total capital assets, not being depreciated | <u>1,318,453</u> | <u>1,989,625</u> | <u>--</u> | <u>--</u> | <u>3,308,078</u> |
| Capital assets, being depreciated: | | | | | |
| Structures and improvements | 1,908,034 | -- | -- | -- | 1,908,034 |
| Equipment | 1,668,124 | -- | (9,156) | -- | 1,658,968 |
| Total capital assets, being depreciated | <u>3,576,158</u> | <u>--</u> | <u>(9,156)</u> | <u>--</u> | <u>3,567,002</u> |
| Less accumulated depreciation for: | | | | | |
| Structures and improvements | (443,541) | (41,489) | -- | -- | (485,030) |
| Equipment | (1,612,707) | (16,794) | 9,156 | -- | (1,620,345) |
| Total accumulated depreciation | <u>(2,056,248)</u> | <u>(58,283)</u> | <u>9,156</u> | <u>--</u> | <u>(2,105,375)</u> |
| Total capital assets, being depreciated, net | <u>1,519,910</u> | <u>(58,283)</u> | <u>--</u> | <u>--</u> | <u>1,461,627</u> |
| Business-type activities capital assets, net | <u>\$ 2,838,363</u> | <u>\$ 1,931,342</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 4,769,705</u> |

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 4: **Capital Assets** (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

| | |
|---|----------------------------|
| General government | \$ 244,973 |
| Public protection | 212,744 |
| Public ways and facilities | 2,701,313 |
| Health and sanitation | 38,530 |
| Public assistance | 3,678 |
| Recreation and culture | 129,943 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset | <u>627,679</u> |
| Total Depreciation Expense - Governmental Functions | <u><u>\$ 3,958,860</u></u> |

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

| | |
|--|-------------------------|
| Solid Waste | \$ 43,953 |
| Airport | <u>14,330</u> |
| Total Depreciation Expense - Business-Type Functions | <u><u>\$ 58,283</u></u> |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 5: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2011:

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 | Amounts Due Within One Year |
|--|-------------------------|---------------------|-----------------------|--------------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Capital leases payable | \$ 516,562 | \$ 145,481 | \$ (261,538) | \$ 400,505 | \$ 94,637 |
| Compensated absences | 3,628,094 | 725,619 | (831,642) | 3,522,071 | 704,414 |
| Claims liability | 1,351,766 | 310,873 | (188,333) | 1,474,306 | 1,474,306 |
| Total Governmental Activities | | | | | |
| Long-term liabilities | <u>\$ 5,496,422</u> | <u>\$ 1,181,973</u> | <u>\$ (1,281,513)</u> | <u>\$ 5,396,882</u> | <u>\$ 2,273,357</u> |
| Business-type Activities | | | | | |
| Certificates of participation | \$ 3,770,000 | \$ -- | (3,770,000) | \$ -- | \$ -- |
| Less: unamortized discount | (92,093) | -- | 92,093 | -- | -- |
| Refunded certificates of participation | -- | 3,609,000 | (212,000) | 3,397,000 | 183,400 |
| Loans payable | 233,334 | -- | (33,334) | 200,000 | 33,333 |
| Compensated absences | 48,140 | 41,466 | (15,919) | 73,687 | 5,109 |
| Landfill postclosure cost | 5,492,349 | 107,275 | -- | 5,599,624 | -- |
| Total Business-type Activities | | | | | |
| Long-term liabilities | <u>\$ 9,451,730</u> | <u>\$ 3,757,741</u> | <u>\$ (3,939,160)</u> | <u>\$ 9,270,311</u> | <u>\$ 221,842</u> |

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, 2011, annual debt service requirements to maturity are as follows:

| Year Ending June 30 | Business-Type Activities | | | |
|------------------------|--|---------------------|-------------------|--------------|
| | Refunded Certificates of Participation | | Loans Payable | |
| | Principal | Interest | Principal | Interest |
| 2012 | \$ 183,400 | \$ 145,732 | \$ 33,333 | \$ -- |
| 2013 | 189,000 | 137,864 | 33,333 | -- |
| 2014 | 199,400 | 129,756 | 33,333 | -- |
| 2015 | 204,600 | 121,202 | 33,333 | -- |
| 2016 | 214,600 | 112,424 | 33,334 | -- |
| 2017-2021 | 1,225,100 | 415,386 | 33,334 | -- |
| 2022-2026 | 1,180,900 | 129,296 | -- | -- |
| | <u>\$ 3,397,000</u> | <u>\$ 1,191,660</u> | <u>\$ 200,000</u> | <u>\$ --</u> |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 5: **Long-Term Liabilities** (continued)

Long-term debt at June 30, 2011, 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, 2011</u> |
|--|--------------------------|-----------------------------|---------------------------|--|--------------------------------------|---|
| <u>Business-type activities</u> | | | | | | |
| 2001 Series A Refunded Certificates of Participation (to refund 2001 Series A Certificates of Participation; to finance closure of four County landfills) | 11/01 | 05/11 - 05/25 | 4.29% | \$183,400 - \$316,100 | \$3,609,000 | \$ 3,397,000 |
| 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>200,000</u> |
| Total business-type activities | | | | | <u>\$4,109,000</u> | <u>\$ 3,597,000</u> |

Refunding Certificates of Participation

In March 2011, the County refunded its 2001 Series A certificates of participation in the amount of \$3,770,000. The new certificates of participation bear interest at 4.29% and are due in biannual installments ranging from \$230,493 to \$322,881 through May 1, 2025. The certificates of participation were issued to finance the closure of certain County landfills. The new issue will reduce debt service payments for the County by a total of \$336,502 with an economic gain of \$257,890 or 7.15%

Note 6: **Capital Leases**

The County has entered into certain capital lease agreements under which the related buildings and equipment will become the property of the County when all terms of the lease agreements are met.

The following is a summary of equipment leased under capital lease agreements by the County as of June 30, 2011:

| | <u>Stated Interest Rate</u> | <u>Present Value of Remaining Payments as of June 30, 2011</u> |
|--------------------------------|-------------------------------------|--|
| Building | 5.15% - 6.07% | \$ 308,686 |
| Various equipment and vehicles | 4.95% - 7.94% | <u>91,819</u> |
| | | <u>\$ 400,505</u> |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 6: **Capital Leases** (continued)

The cost of buildings and equipment under capital leases are as follows:

| | |
|--------------------------------|-------------------|
| Building | \$ 550,000 |
| Various equipment and vehicles | 145,481 |
| Less: accumulated depreciation | <u>(112,821)</u> |
| Total | <u>\$ 582,660</u> |

As of June 30, 2011, future minimum lease payments under capital leases were as follows:

| <u>Year Ending</u> <u>June 30:</u> | |
|---|-------------------|
| 2012 | \$ 113,748 |
| 2013 | 88,628 |
| 2014 | 53,082 |
| 2015 | 53,082 |
| 2016 | 53,082 |
| 2017-2021 | <u>106,164</u> |
| Total Future Minimum Lease Payments | 467,786 |
| Less: Interest | <u>(67,281)</u> |
| Present Value of Minimal Lease Payments | <u>\$ 400,505</u> |

Note 7: **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 \$5,599,624 reported as closure and postclosure liability in the Enterprise Fund at June 30, 2011, represents the cumulative amount reported to date based on the following estimated percentages of capacity applied to the estimated closure and postclosure care costs:

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 7: Closure and Postclosure Liability (continued)

| Landfill Site | Estimated Closure Costs | Estimated Postclosure Costs | Total Estimated Cost | Estimated Total Capacity (Cubic Yards) | Remaining Capacity (Cubic Yards) | Estimated Capacity Used (Cubic Yards) | Estimated Percentage of Capacity Used through June 30, 2011 | Landfill Closure and Postclosure Liability at June 30, 2011 |
|-----------------|-------------------------------|-----------------------------------|----------------------------|---|--|--|---|---|
| Benton Crossing | \$3,039,818 | \$1,747,897 | \$ 4,787,715 | 2,301,600 | 1,207,000 | 1,094,600 | 47.56% | \$ 2,276,952 |
| Pumice Valley | 1,475,059 | 908,833 | 2,383,892 | 347,112 | 238,144 | 108,968 | 31.39% | 748,369 |
| Walker | 752,877 | 733,396 | 1,486,273 | 340,716 | 277,032 | 63,684 | 18.69% | 277,803 |
| Benton* | -- | 803,400 | 803,400 | -- | -- | \$ -- | -- | 803,400 |
| Bridgeport* | -- | 901,800 | 901,800 | -- | -- | -- | -- | 901,800 |
| Chalfant* | -- | 591,300 | 591,300 | -- | -- | -- | -- | 591,300 |
| Total | <u>\$5,267,754</u> | <u>\$5,686,626</u> | <u>\$10,954,380</u> | <u>2,989,428</u> | <u>1,722,176</u> | <u>1,267,252</u> | <u>42.39%</u> | <u>\$ 5,599,624</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 \$5,354,756 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 2011.

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

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, 2011, cash and investments of \$2,425,620 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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 8: **Interfund Transactions**

Transfers:

| <u>Transfer from</u> | <u>Transfer to</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|----------------------------|
| General Fund | Bioterrorism Fund | \$ 61,921 |
| | Nonmajor Governmental Funds | 326,376 |
| | Road | 550,000 |
| | | <u>938,297</u> |
| Nonmajor Governmental Funds | General Fund | 461,161 |
| | Nonmajor Governmental Funds | 118,358 |
| | | <u>579,519</u> |
| | Total | <u><u>\$ 1,517,816</u></u> |

The General Fund transferred \$550,000 to the Road Fund for budgeted road projects.

The composition of interfund balances as of June 30, 2011, are as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|--------------------------|----------------------------|
| General Fund | Road Fund | \$ 843,456 |
| | Bioterrorism Fund | 668,201 |
| | Solid Waste Fund | 737,163 |
| | Other Governmental Funds | 53,896 |
| | Internal Service Funds | 24,978 |
| | | <u><u>\$ 2,327,694</u></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 | <u><u>\$ 1,080,000</u></u> |

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, 2011

Note 9: **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 2010/2011 was 7 percent for miscellaneous employees and 9 percent for safety employees. 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, 2011, the County's annual pension cost of \$4,516,464 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2008, 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 25 years remaining in the amortization period at June 30, 2008 (the valuation date) under the miscellaneous plan.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 9: **Defined Benefit Pension Plan** (continued)

C. Annual Pension Cost (continued)

Three Year Trend Information for PERS

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------|---------------------------------|-------------------------------------|------------------------------|
| June 30, 2009 | \$ 4,296,431 | 100% | \$ -- |
| June 30, 2010 | 4,375,624 | 100% | -- |
| June 30, 2011 | 4,516,464 | 100% | -- |

Note 10: **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, 148 employees meet the eligibility requirements for the pre-2002 hire health care retirement benefits. The County has a two-part system for acknowledging this liability. 1) The County budgets for current retirees, with any excess transferred to a trust account for future retiree health expenses; and 2) the County sets aside 3% of each employee's salary into this same trust to match the 3% maximum payable under the 401(a) plan with any excess being reserve for liability for those retiring under the pre-2002 hire date post-retirement plan.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 10: **Other Postemployment Benefits (OPEB)** (continued)

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 2010-11, the County contributed \$2,545,538, or 100% 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 | \$ 2,436,012 |
| Interest on prior year Net OPEB obligation | (14,786) |
| Adjustment to ARC | <u>16,079</u> |
| Annual OPEB cost | 2,437,305 |
| Contributions made | <u>(2,545,538)</u> |
| Change in OPEB benefit | \$ (108,233) |
| Net OPEB asset - beginning of year | <u>(684,679)</u> |
| Net OPEB asset - end of year | <u><u>\$ (792,912)</u></u> |

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 10: **Other Postemployment Benefits (OPEB)** (continued)

Annual OPEB Cost and Net OPEB Obligation (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:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Asset</u> |
|----------------------------------|-----------------------------|---|-------------------------------|
| 6/30/09 | \$2,436,012 | 109% | \$ 211,227 |
| 6/30/10 | 2,437,305 | 119% | 684,679 |
| 6/30/11 | 2,437,305 | 104% | 792,912 |

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2010, the plan's most recent actuarial valuation date, was as follows:

| | |
|---|------------------|
| Actuarial accrued liability (AAL) | \$ 27,642,732 |
| Actuarial value of plan assets | <u>6,626,623</u> |
| Unfunded actuarial accrued liability (UAAL) | 21,016,109 |
| | |
| Funded ratio (actuarial value of plan assets/AAL) | 23.97% |
| | |
| 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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 10: **Other Postemployment Benefits (OPEB)** (continued)

Actuarial Methods and Assumptions (continued)

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, 2011, was 27 years.

Note 11: **Net Assets/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, 2011 is as follows:

| | General Fund | Road Fund | Bioterrorism Fund | Other Governmental Funds |
|-------------------------|-----------------|--------------|----------------------|--------------------------------|
| | | | | |
| Nonspendable: | | | | |
| Prepays and inventory | \$ 152,609 | \$ 377,071 | \$ -- | \$ 2,613 |
| Advances | 1,080,000 | -- | -- | -- |
| Total Nonspendable | 1,232,609 | 377,071 | -- | 2,613 |
| Restricted for: | | | | |
| Health services | 1,704,099 | -- | -- | 79,991 |
| Social services | 190,462 | -- | -- | -- |
| County service areas | -- | -- | -- | 1,408,247 |
| Community development | -- | -- | -- | 423,336 |
| Various grants programs | -- | -- | -- | 1,446,708 |
| Total Restricted | 1,894,561 | -- | -- | 3,358,282 |
| Assigned: | | | | |
| Capital projects | -- | -- | -- | 1,108,228 |
| Unassigned | 8,699,369 | (1,293,108) | (658,069) | (65,915) |
| Total Fund Balance | \$ 11,826,539 | \$ (916,037) | \$ (658,069) | \$ 4,403,208 |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 11: **Net Assets/Fund Balances** (continued)

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.

Restatement of Beginning Equity

The County has reclassified some of its funds for financial reporting purposes:

| | Fund Statements | | | | | | | |
|---|---|--------------------|--------------------|------------------------------|---------------------|---------------------------------|-------------------|--------------------------|
| | Government-Wide Statement of Activities | Enterprise Fund | Governmental Funds | | | | | |
| | Governmental Activities | Airport Fund | General Fund | Mental Health Services | Well Abandonment | Various Restricted Grants | Developer Fees | June Lake Storm Drain |
| Fund balance/net assets, June 30, 2010, as previously reported | \$ 58,828,359 | \$2,081,643 | \$ 12,351,595 | \$ 1,146,807 | \$ 91,504 | \$ 617,316 | \$ 1,522 | \$ 81,078 |
| <u>Reclassifications</u> | | | | | | | | |
| Reclassify Mental Health Services Act Fund from Other Governmental to General Fund | -- | -- | 1,146,807 | (1,146,807) | -- | -- | -- | -- |
| Reclassify Well Abandonment Fund from Other Governmental to General Fund/Agency Fund | (20,272) | -- | 70,782 | -- | (91,504) | -- | -- | -- |
| Reclassify various Governmental Funds to various Restricted Grants Fund | -- | -- | (91,364) | -- | -- | 173,964 | (1,522) | (81,078) |
| Reclassify various Agency Funds to various Restricted Grants Fund | 437,402 | -- | -- | -- | -- | 437,402 | -- | -- |
| Reclassify various Restricted Grants Funds to General Fund/Agency Funds | (120,364) | -- | 73,943 | -- | -- | (194,307) | -- | -- |
| Other Reclassifications to Agency Funds | (21,473) | -- | (21,023) | -- | -- | -- | -- | -- |
| <u>Restatements</u> | | | | | | | | |
| Correct construction in progress expensed in prior year | -- | 88,060 | -- | -- | -- | -- | -- | -- |
| Total Adjustments | 275,293 | 88,060 | 1,179,145 | (1,146,807) | (91,504) | 417,059 | (1,522) | (81,078) |
| Fund balance/net assets, July 1, 2010, as restated | \$ 59,103,652 | \$2,169,703 | \$ 13,530,740 | \$ -- | \$ -- | \$1,034,375 | \$ -- | \$ -- |

Note 12: **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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2011

Note 13: **Risk Management** (continued)

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 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 \$1,474,306 reported in the government-wide statements at June 30, 2011, 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, 2010 and 2011 were as follows:

| Fiscal Year Ended | Balance at Beginning of Fiscal Year | Current Year Claims and Changes in Estimates | Claims Payments | Balance at End of Fiscal Year |
|-------------------------|---|---|--------------------|-------------------------------------|
| 2010 | \$ 1,365,729 | \$ 209,109 | \$ 223,072 | \$ 1,351,766 |
| 2011 | 1,351,766 | 310,873 | 188,333 | 1,474,306 |

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2011

Note 12: **Risk Management** (continued)

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 Government Auditing Standards Board Statement No. 10, these cases have not been accrued in the financial statements.

Note 13: **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.

Note 14: **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 15: **Subsequent Event**

At the adoption of the 2011-12 budget on September 20, 2012, the Board of Supervisors approved a \$750,000 loan to the Solid Waste Enterprise Fund. This loan is at 0% interest, payable quarterly at \$18,750 over 10 years.

On February 28, 2012, the County closed escrow on three PERS Side Fund Refundings. The PERS Side Funds refunded were as follows: 1st Tier Fire, \$1,937,135; Safety Sheriff Plan, \$1,324,436; and Safety CPO Plan, \$2,002,085. Expenses associated with the refunding totaled \$89,244 for a total refunding bond issuance of \$4,612,900. The Safety CPO Plan and Safety Sheriff plans were refunded at 4.07% with semi-annual payments with the final payment due on 2/28/2018. The 1st Tier Fire was refunded at 4.63% with semi-annual payments with the final payment due on 2/28/2023. The average savings over the next 12 years is \$522,660 or 8.3%.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2011

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 (\$ 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> |
|---|--|--------------------------------------|--|-------------------------|----------------------------|---|
| <u>Miscellaneous Plan</u> | | | | | | |
| 06/30/07 | \$ 56,757 | \$ 46,802 | \$ 9,955 | 82.5% | \$ 12,538 | 79.4% |
| 06/30/08 | 62,550 | 51,156 | 11,394 | 81.8% | 13,046 | 87.3% |
| 06/30/09 | 71,132 | 54,770 | 16,362 | 77.0% | 14,393 | 113.7% |

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):

In future years, three year trend information will be presented. Fiscal year 2008-09 was the first year of implementation of GASB Statement 45, and the County elected to implement prospectively; therefore, prior year comparative data is not available.

| <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 |

COUNTY OF MONO

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 20,233,996 | \$ 19,613,996 | \$ 21,042,521 | \$ 1,428,525 |
| Licenses and permits | 613,953 | 630,952 | 598,014 | (32,938) |
| Fines, forfeits and penalties | 704,536 | 859,822 | 841,534 | (18,288) |
| Revenue from use of money and property | 169,600 | 169,600 | 214,343 | 44,743 |
| Aid from other governments | 13,507,907 | 13,736,069 | 12,961,439 | (774,630) |
| Charges for services | 3,560,283 | 3,651,283 | 4,079,829 | 428,546 |
| Miscellaneous revenue | 100,080 | 184,891 | 333,477 | 148,586 |
| Total Revenues | <u>38,890,355</u> | <u>38,846,613</u> | <u>40,071,157</u> | <u>1,224,544</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 9,470,122 | 9,540,417 | 4,974,544 | 4,565,873 |
| Public protection | 21,263,875 | 21,583,595 | 20,515,537 | 1,068,058 |
| Public way and facilities | 1,567,439 | 1,602,939 | 1,564,178 | 38,761 |
| Health and sanitation | 9,807,867 | 9,791,503 | 9,867,392 | (75,889) |
| Public assistance | 4,526,780 | 4,526,780 | 4,298,501 | 228,279 |
| Education | 37,102 | 37,102 | 36,022 | 1,080 |
| Recreation and culture | 27,500 | 19,500 | 42,048 | (22,548) |
| Total Expenditures | <u>46,700,685</u> | <u>47,101,836</u> | <u>41,298,222</u> | <u>5,803,614</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(7,810,330)</u> | <u>(8,255,223)</u> | <u>(1,227,065)</u> | <u>7,028,158</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 972,714 | 972,714 | 461,161 | (511,553) |
| Transfers out | (2,616,588) | (2,763,470) | (938,297) | 1,825,173 |
| Total Other Financing Sources (Uses) | <u>(1,643,874)</u> | <u>(1,790,756)</u> | <u>(477,136)</u> | <u>1,313,620</u> |
| Net Change in Fund Balances | (9,454,204) | (10,045,979) | (1,704,201) | 8,341,778 |
| Budgetary Fund Balances - Beginning of Year, restated | <u>13,530,740</u> | <u>13,530,740</u> | <u>13,530,740</u> | <u>--</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 4,076,536</u> | <u>\$ 3,484,761</u> | <u>\$ 11,826,539</u> | <u>\$ 8,341,778</u> |

COUNTY OF MONO

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|--------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 5,000 | \$ 5,000 | \$ 3,802 | \$ (1,198) |
| Fines, forfeits and penalties | 44,350 | 44,350 | 54,862 | 10,512 |
| Revenue from use of money and property | 5,000 | 5,000 | 5,103 | 103 |
| Aid from other governments | 2,741,925 | 2,870,458 | 2,715,191 | (155,267) |
| Charges for services | 975,000 | 975,000 | 709,616 | (265,384) |
| Other revenues | 5,000 | 5,000 | 58,710 | 53,710 |
| Total Revenues | <u>3,776,275</u> | <u>3,904,808</u> | <u>3,547,284</u> | <u>(357,524)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public way and facilities | 5,075,461 | 6,098,503 | 6,795,290 | (696,787) |
| Total Expenditures | <u>5,075,461</u> | <u>6,098,503</u> | <u>6,795,290</u> | <u>(696,787)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,299,186)</u> | <u>(2,193,695)</u> | <u>(3,248,006)</u> | <u>(1,054,311)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 550,000 | 550,000 | 550,000 | -- |
| Total Other Financing Sources (Uses) | <u>550,000</u> | <u>550,000</u> | <u>550,000</u> | <u>--</u> |
| Net Change in Fund Balances | (749,186) | (1,643,695) | (2,698,006) | (1,054,311) |
| Fund Balances - Beginning of Year | <u>1,781,969</u> | <u>1,781,969</u> | <u>1,781,969</u> | <u>--</u> |
| Fund Balances - End of Year | <u>\$ 1,032,783</u> | <u>\$ 138,274</u> | <u>\$ (916,037)</u> | <u>\$ (1,054,311)</u> |

COUNTY OF MONO

Budgetary Comparison Schedule
 Bioterrorism Fund
 For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Revenue from use of money and property | \$ (10,000) | \$ (10,000) | \$ (6,140) | \$ 3,860 |
| Aid from other governments | 468,894 | 554,352 | 513,593 | (40,759) |
| Total Revenues | 458,894 | 544,352 | 507,453 | (36,899) |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 371,281 | 508,661 | 533,525 | (24,864) |
| Total Expenditures | 371,281 | 508,661 | 533,525 | (24,864) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 87,613 | 35,691 | (26,072) | (61,763) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 10,000 | 61,922 | 61,921 | (1) |
| Total Other Financing Sources (Uses) | 10,000 | 61,922 | 61,921 | (1) |
| Net Change in Fund Balances | 97,613 | 97,613 | 35,849 | (61,764) |
| Fund Balances - Beginning of Year | (693,918) | (693,918) | (693,918) | -- |
| Fund Balances - End of Year | \$ (596,305) | \$ (596,305) | \$ (658,069) | \$ (61,764) |

COUNTY OF MONO

Note to Required Supplementary Information For the Year Ended June 30, 2011

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.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2011, expenditures exceeded appropriations in the following funds:

| | <u>Excess Expenditures</u> |
|-----------------------|--------------------------------|
| General Fund: | |
| Health and Sanitation | \$ 75,889 |
| Recreation/Culture | 22,548 |
| Road Fund | 696,787 |
| Bioterrorism Fund | 24,864 |

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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.

COUNTY OF MONO

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

| | Special Revenue | | | |
|--|------------------|------------------|-----------------|----------------------------------|
| | Geothermal | Fish and Game | Tobacco | Emergency Medical Services |
| <u>Assets</u> | | | | |
| Cash and investments | \$ 14,025 | \$ 22,992 | \$ -- | \$ 79,991 |
| Accounts receivable | -- | -- | -- | -- |
| Due from other governments | -- | -- | 383 | -- |
| Prepays | -- | -- | -- | -- |
| | <u>14,025</u> | <u>22,992</u> | <u>383</u> | <u>79,991</u> |
| Total Assets | <u>\$ 14,025</u> | <u>\$ 22,992</u> | <u>\$ 383</u> | <u>\$ 79,991</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- |
| Salaries and benefits payable | -- | -- | 12,402 | -- |
| Due to other funds | -- | -- | 53,896 | -- |
| Deposits from others | -- | -- | -- | -- |
| | <u>--</u> | <u>--</u> | <u>66,298</u> | <u>--</u> |
| Total Liabilities | <u>--</u> | <u>--</u> | <u>66,298</u> | <u>--</u> |
| Fund Balance | | | | |
| Nonspendable | -- | -- | -- | -- |
| Restricted | 14,025 | 22,992 | -- | 79,991 |
| Assigned | -- | -- | -- | -- |
| Unassigned | -- | -- | (65,915) | -- |
| | <u>14,025</u> | <u>22,992</u> | <u>(65,915)</u> | <u>79,991</u> |
| Total Fund Balances | <u>14,025</u> | <u>22,992</u> | <u>(65,915)</u> | <u>79,991</u> |
| Total Liabilities and Fund Balances | <u>\$ 14,025</u> | <u>\$ 22,992</u> | <u>\$ 383</u> | <u>\$ 79,991</u> |

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

| | Special Revenue | | | |
|--|-----------------------|-------------------|----------------------------|-----------------------|
| | Major Thoroughfare | Mitigation Fee | County Service Areas | Development Impact |
| <u>Assets</u> | | | | |
| Cash and investments | \$ 62,205 | \$ 114,864 | \$ 1,415,132 | \$ 308,472 |
| Accounts receivable | -- | -- | 347 | -- |
| Due from other governments | -- | -- | -- | -- |
| Prepays | -- | -- | -- | -- |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$ 62,205</u> | <u>\$ 114,864</u> | <u>\$ 1,415,479</u> | <u>\$ 308,472</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ -- | \$ -- | \$ 3,137 | \$ -- |
| Salaries and benefits payable | -- | -- | -- | -- |
| Due to other funds | -- | -- | -- | -- |
| Deposits from others | -- | -- | 4,095 | -- |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | -- | -- | 7,232 | -- |
| Fund Balance | | | | |
| Nonspendable | -- | -- | -- | -- |
| Restricted | 62,205 | 114,864 | 1,408,247 | 308,472 |
| Assigned | -- | -- | -- | -- |
| Unassigned | -- | -- | -- | -- |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Fund Balances | <u>62,205</u> | <u>114,864</u> | <u>1,408,247</u> | <u>308,472</u> |
| Total Liabilities and Fund Balances | <u>\$ 62,205</u> | <u>\$ 114,864</u> | <u>\$ 1,415,479</u> | <u>\$ 308,472</u> |

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

| | <u>Special Revenue</u> | | <u>Capital Projects</u> | |
|--|---|--------------------------------------|---|---------------------|
| | <u>Various Restricted Grant Funds</u> | <u>Total Special Revenue</u> | <u>Miscellaneous Capital Improvements</u> | <u>Total</u> |
| <u>Assets</u> | | | | |
| Cash and investments | \$ 1,345,162 | \$ 3,362,843 | \$ 867,532 | \$ 4,230,375 |
| Accounts receivable | -- | 347 | -- | 347 |
| Due from other governments | 3,794 | 4,177 | 244,478 | 248,655 |
| Prepays | 2,613 | 2,613 | -- | 2,613 |
| | <u>2,613</u> | <u>2,613</u> | <u>--</u> | <u>2,613</u> |
| Total Assets | <u>\$ 1,351,569</u> | <u>\$ 3,369,980</u> | <u>\$ 1,112,010</u> | <u>\$ 4,481,990</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ -- | \$ 3,137 | \$ 3,782 | \$ 6,919 |
| Salaries and benefits payable | 1,470 | 13,872 | -- | 13,872 |
| Due to other funds | -- | 53,896 | -- | 53,896 |
| Deposits from others | -- | 4,095 | -- | 4,095 |
| | <u>--</u> | <u>4,095</u> | <u>--</u> | <u>4,095</u> |
| Total Liabilities | <u>1,470</u> | <u>75,000</u> | <u>3,782</u> | <u>78,782</u> |
| Fund Balance | | | | |
| Nonspendable | 2,613 | 2,613 | -- | 2,613 |
| Restricted | 1,347,486 | 3,358,282 | -- | 3,358,282 |
| Assigned | -- | -- | 1,108,228 | 1,108,228 |
| Unassigned | -- | (65,915) | -- | (65,915) |
| | <u>--</u> | <u>(65,915)</u> | <u>--</u> | <u>(65,915)</u> |
| Total Fund Balances | <u>1,350,099</u> | <u>3,294,980</u> | <u>1,108,228</u> | <u>4,403,208</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,351,569</u> | <u>\$ 3,369,980</u> | <u>\$ 1,112,010</u> | <u>\$ 4,481,990</u> |

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

| | Special Revenue | | | |
|--|------------------|------------------|--------------------|----------------------------------|
| | Geothermal | Fish and Game | Tobacco | Emergency Medical Services |
| Revenues: | | | | |
| Taxes | \$ -- | \$ -- | \$ -- | \$ -- |
| Fines, forfeitures and penalties | -- | 3,785 | 618 | 115,104 |
| Use of money and property | -- | 264 | (1,213) | 1,276 |
| Intergovernmental | -- | -- | 150,000 | -- |
| Charges for services | 34,750 | -- | -- | -- |
| Miscellaneous | -- | 14,334 | 4,533 | -- |
| Total Revenues | <u>34,750</u> | <u>18,383</u> | <u>153,938</u> | <u>116,380</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | -- | -- | -- | -- |
| Public protection | -- | 16,761 | -- | -- |
| Public ways and facilities | 19,125 | -- | -- | -- |
| Health and sanitation | -- | -- | 216,852 | 117,547 |
| Public assistance | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- |
| Total Expenditures | <u>19,125</u> | <u>16,761</u> | <u>216,852</u> | <u>117,547</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>15,625</u> | <u>1,622</u> | <u>(62,914)</u> | <u>(1,167)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | -- | -- | 43,493 | -- |
| Transfers out | -- | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>43,493</u> | <u>--</u> |
| Net Change in Fund Balances | 15,625 | 1,622 | (19,421) | (1,167) |
| Fund Balances - Beginning of Year, restated | <u>(1,600)</u> | <u>21,370</u> | <u>(46,494)</u> | <u>81,158</u> |
| Fund Balances - End of Year | <u>\$ 14,025</u> | <u>\$ 22,992</u> | <u>\$ (65,915)</u> | <u>\$ 79,991</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, 2011

| | Special Revenue | | | |
|--|-----------------------|-------------------|----------------------------|-----------------------|
| | Major Thoroughfare | Mitigation Fee | County Service Areas | Development Impact |
| Revenues: | | | | |
| Taxes | \$ -- | \$ -- | \$ 181,134 | \$ -- |
| Fines, forfeitures and penalties | -- | -- | -- | -- |
| Use of money and property | 822 | 1,518 | 17,532 | 3,911 |
| Intergovernmental | -- | -- | 40,000 | -- |
| Charges for services | -- | -- | 18,965 | -- |
| Miscellaneous | -- | -- | 16,035 | 30,095 |
| Total Revenues | <u>822</u> | <u>1,518</u> | <u>273,666</u> | <u>34,006</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | -- | -- | 156,274 | -- |
| Public protection | -- | -- | -- | -- |
| Public ways and facilities | -- | -- | -- | -- |
| Health and sanitation | -- | -- | -- | -- |
| Public assistance | -- | -- | -- | -- |
| Capital outlay | -- | -- | -- | -- |
| Total Expenditures | <u>--</u> | <u>--</u> | <u>156,274</u> | <u>--</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>822</u> | <u>1,518</u> | <u>117,392</u> | <u>34,006</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | -- | -- | -- | -- |
| Transfers out | -- | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | 822 | 1,518 | 117,392 | 34,006 |
| Fund Balances - Beginning of Year, restated | <u>61,383</u> | <u>113,346</u> | <u>1,290,855</u> | <u>274,466</u> |
| Fund Balances - End of Year | <u>\$ 62,205</u> | <u>\$ 114,864</u> | <u>\$ 1,408,247</u> | <u>\$ 308,472</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, 2011

| | <u>Special Revenue</u> | | <u>Capital Projects</u> | |
|--|---|--------------------------------------|---|---------------------|
| | <u>Various Restricted Grant Funds</u> | <u>Total Special Revenue</u> | <u>Miscellaneous Capital Improvements</u> | <u>Total</u> |
| Revenues: | | | | |
| Taxes | \$ -- | \$ 181,134 | \$ -- | \$ 181,134 |
| Fines, forfeitures and penalties | 254,354 | 373,861 | -- | 373,861 |
| Use of money and property | 14,737 | 38,847 | -- | 38,847 |
| Intergovernmental | 1,196,329 | 1,386,329 | 883,181 | 2,269,510 |
| Charges for services | 35,349 | 89,064 | -- | 89,064 |
| Miscellaneous | 20,498 | 85,495 | 495 | 85,990 |
| Total Revenues | <u>1,521,267</u> | <u>2,154,730</u> | <u>883,676</u> | <u>3,038,406</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,081 | 158,355 | -- | 158,355 |
| Public protection | 675,187 | 691,948 | -- | 691,948 |
| Public ways and facilities | -- | 19,125 | -- | 19,125 |
| Health and sanitation | -- | 334,399 | -- | 334,399 |
| Public assistance | 114,947 | 114,947 | -- | 114,947 |
| Capital outlay | -- | -- | 894,175 | 894,175 |
| Total Expenditures | <u>792,215</u> | <u>1,318,774</u> | <u>894,175</u> | <u>2,212,949</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>729,052</u> | <u>835,956</u> | <u>(10,499)</u> | <u>825,457</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 87,769 | 131,262 | 313,472 | 444,734 |
| Transfers out | (501,097) | (501,097) | (78,422) | (579,519) |
| Total Other Financing Sources (Uses) | <u>(413,328)</u> | <u>(369,835)</u> | <u>235,050</u> | <u>(134,785)</u> |
| Net Change in Fund Balances | 315,724 | 466,121 | 224,551 | 690,672 |
| Fund Balances - Beginning of Year, restated | <u>1,034,375</u> | <u>2,828,859</u> | <u>883,677</u> | <u>3,712,536</u> |
| Fund Balances - End of Year | <u>\$ 1,350,099</u> | <u>\$ 3,294,980</u> | <u>\$ 1,108,228</u> | <u>\$ 4,403,208</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.

COUNTY OF MONO

Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
June 30, 2011

| | <u>Campgrounds</u> | <u>Cemeteries</u> | <u>Total</u> |
|----------------------------------|-------------------------|-------------------------|--------------------------|
| <u>Assets</u> | | | |
| Current Assets: | | | |
| Pooled cash and investments | <u>\$ 39,902</u> | <u>\$ 74,165</u> | <u>\$ 114,067</u> |
| Total Assets | <u><u>\$ 39,902</u></u> | <u><u>\$ 74,165</u></u> | <u><u>\$ 114,067</u></u> |
| <u>Liabilities</u> | | | |
| Current Liabilities: | | | |
| Accounts payable | <u>\$ 638</u> | <u>\$ --</u> | <u>\$ 638</u> |
| Total Liabilities | <u>638</u> | <u>--</u> | <u>638</u> |
| <u>Net Assets</u> | | | |
| Unrestricted | <u>39,264</u> | <u>74,165</u> | <u>113,429</u> |
| Total Liabilities and Net Assets | <u><u>\$ 39,902</u></u> | <u><u>\$ 74,165</u></u> | <u><u>\$ 114,067</u></u> |

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

| | <u>Campgrounds</u> | <u>Cemeteries</u> | <u>Total</u> |
|------------------------------------|--------------------|-------------------|-------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 30,216 | \$ -- | \$ 30,216 |
| Total Operating Revenues | <u>30,216</u> | <u>--</u> | <u>30,216</u> |
| Operating Expenses: | | | |
| Services and supplies | <u>18,884</u> | <u>264</u> | <u>19,148</u> |
| Total Operating Expenses | <u>18,884</u> | <u>264</u> | <u>19,148</u> |
| Operating Income (Loss) | <u>11,332</u> | <u>(264)</u> | <u>11,068</u> |
| Non-Operating Revenues (Expenses): | | | |
| Interest income (expense) | <u>506</u> | <u>983</u> | <u>1,489</u> |
| Total Non-Operating Revenues | <u>506</u> | <u>983</u> | <u>1,489</u> |
| Change in Net Assets | 11,838 | 719 | 12,557 |
| Net Assets - Beginning of Year | <u>27,426</u> | <u>73,446</u> | <u>100,872</u> |
| Net Assets - End of Year | <u>\$ 39,264</u> | <u>\$ 74,165</u> | <u>\$ 113,429</u> |

COUNTY OF MONO

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

| | <u>Campgrounds</u> | <u>Cemeteries</u> | <u>Total</u> |
|---|--------------------|-------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash receipts from customers | \$ 30,216 | \$ -- | \$ 30,216 |
| Cash paid to suppliers for goods and services | (18,246) | (264) | (18,510) |
| Net Cash Provided (Used) by Operating Activities | 11,970 | (264) | 11,706 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received (paid) | 506 | 983 | 1,489 |
| Net Cash Provided (Used) by Investing Activities | 506 | 983 | 1,489 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 12,476 | 719 | 13,195 |
| Cash and Cash Equivalents, Beginning of Year | 27,426 | 73,446 | 100,872 |
| Cash and Cash Equivalents, End of Year | \$ 39,902 | \$ 74,165 | \$ 114,067 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | \$ 11,332 | \$ (264) | \$ 11,068 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Changes in assets and liabilities: | | | |
| Increase (decrease) in: | | | |
| Payables | 638 | -- | 638 |
| Net Cash Provided (Used) by Operating Activities | \$ 11,970 | \$ (264) | \$ 11,706 |

INTERNAL SERVICE FUNDS

COUNTY OF MONO

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2011

| | Copier Pool | Motor Pool | Total |
|----------------------------------|-------------|--------------|--------------|
| <u>Assets</u> | | | |
| Current Assets: | | | |
| Pooled cash and investments | \$ -- | \$ 677,429 | \$ 677,429 |
| Total Current Assets | -- | 677,429 | 677,429 |
| Noncurrent Assets: | | | |
| Capital assets: | | | |
| Depreciable, net | 108,877 | 1,850,259 | 1,959,136 |
| Total Noncurrent Assets | 108,877 | 1,850,259 | 1,959,136 |
| Total Assets | \$ 108,877 | \$ 2,527,688 | \$ 2,636,565 |
| <u>Liabilities</u> | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 1,803 | \$ 3,627 | \$ 5,430 |
| Due to other funds | 24,978 | -- | 24,978 |
| Total Liabilities | 26,781 | 3,627 | 30,408 |
| <u>Net Assets</u> | | | |
| Invested in capital assets | 108,877 | 1,850,259 | 1,959,136 |
| Unrestricted | (26,781) | 673,802 | 647,021 |
| Total Net Assets | 82,096 | 2,524,061 | 2,606,157 |
| Total Liabilities and Net Assets | \$ 108,877 | \$ 2,527,688 | \$ 2,636,565 |

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

| | <u>Copier Pool</u> | <u>Motor Pool</u> | <u>Total</u> |
|------------------------------------|--------------------|---------------------|---------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 78,314 | \$ 706,094 | \$ 784,408 |
| Total Operating Revenues | <u>78,314</u> | <u>706,094</u> | <u>784,408</u> |
| Operating Expenses: | | | |
| Services and supplies | 84,156 | 234,777 | 318,933 |
| Depreciation | 40,460 | 587,219 | 627,679 |
| Total Operating Expenses | <u>124,616</u> | <u>821,996</u> | <u>946,612</u> |
| Operating Income (Loss) | <u>(46,302)</u> | <u>(115,902)</u> | <u>(162,204)</u> |
| Non-Operating Revenues (Expenses): | | | |
| Interest income (expense) | (428) | 9,587 | 9,159 |
| Miscellaneous | -- | 71,455 | 71,455 |
| Total Non-Operating Revenues | <u>(428)</u> | <u>81,042</u> | <u>80,614</u> |
| Change in Net Assets | (46,730) | (34,860) | (81,590) |
| Net Assets - Beginning of Year | <u>128,826</u> | <u>2,558,921</u> | <u>2,687,747</u> |
| Net Assets - End of Year | <u>\$ 82,096</u> | <u>\$ 2,524,061</u> | <u>\$ 2,606,157</u> |

COUNTY OF MONO

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

| | <u>Copier Pool</u> | <u>Motor Pool</u> | <u>Total</u> |
|---|--------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash receipts from interfund services provided | \$ 78,314 | \$ 706,094 | \$ 784,408 |
| Cash paid to suppliers for goods and services | <u>(84,980)</u> | <u>(231,150)</u> | <u>(316,130)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(6,666)</u> | <u>474,944</u> | <u>468,278</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Interfund loans | <u>7,094</u> | <u>--</u> | <u>7,094</u> |
| Net Cash Provided (Used) by Investing Activities | <u>7,094</u> | <u>--</u> | <u>7,094</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Payments related to the acquisition of capital assets | -- | (503,571) | (503,571) |
| Sale of capital assets | <u>--</u> | <u>86,018</u> | <u>86,018</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>--</u> | <u>(417,553)</u> | <u>(417,553)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received (paid) | <u>(428)</u> | <u>9,587</u> | <u>9,159</u> |
| Net Cash Provided (Used) by Investing Activities | <u>(428)</u> | <u>9,587</u> | <u>9,159</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | -- | 66,978 | 66,978 |
| Cash and Cash Equivalents, Beginning of Year | <u>--</u> | <u>610,451</u> | <u>610,451</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ --</u> | <u>\$ 677,429</u> | <u>\$ 677,429</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | \$ (46,302) | \$ (115,902) | \$ (162,204) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 40,460 | 587,219 | 627,679 |
| Changes in assets and liabilities: | | | |
| Increase (decrease) in: | | | |
| Payables | <u>(824)</u> | <u>3,627</u> | <u>2,803</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (6,666)</u> | <u>\$ 474,944</u> | <u>\$ 468,278</u> |

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.

COUNTY OF MONO

Combining Statement of Fiduciary Net Assets
Investment Trust Fund
June 30, 2011

| | <u>Local Districts</u> | <u>School Funds</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| <u>Assets</u> | | | |
| Pooled cash and investments | <u>\$ 18,365,507</u> | <u>\$ 25,813,528</u> | <u>\$ 44,179,035</u> |
| Total Assets | <u><u>\$ 18,365,507</u></u> | <u><u>\$ 25,813,528</u></u> | <u><u>\$ 44,179,035</u></u> |
| <u>Net Assets</u> | | | |
| Net assets held in trust for investment pool participants | <u><u>\$ 18,365,507</u></u> | <u><u>\$ 25,813,528</u></u> | <u><u>\$ 44,179,035</u></u> |

COUNTY OF MONO

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Fund
For the Year Ended June 30, 2011

| | Local Districts | School Districts | Total |
|---|--------------------|---------------------|---------------|
| Additions | | | |
| Contributions | \$ 18,325,288 | \$ 33,024,087 | \$ 51,349,375 |
| Investment income | 253,800 | 387,602 | 641,402 |
| Total Additions | 18,579,088 | 33,411,689 | 51,990,777 |
| Deductions: | | | |
| Distribution from pooled investment | 18,029,436 | 35,609,429 | 53,638,865 |
| Change in net assets | 549,652 | (2,197,740) | (1,648,088) |
| Beginning net assets held in trust for pool participants | 17,815,855 | 28,011,268 | 45,827,123 |
| Ending net assets held for pool participants | \$ 18,365,507 | \$ 25,813,528 | \$ 44,179,035 |

STATISTICAL SECTION (UNAUDITED)

COUNTY OF MONO

**Tax Levies and Collections
General Fund Secured Roll
1992-93 through 2010-11**

| <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% |

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

COUNTY OF MONO

**General Fund Secured Roll
1992-93 through 2010-11**

| Fiscal Year | Tax Levy | Current Taxes Collected | Percent of Levy | Delinquent Collections | Total Collections | Percent of Levy Collected |
|-------------|------------|-------------------------|-----------------|------------------------|-------------------|---------------------------|
| 1992 | 5,677,052 | 5,939,621 | 103.30% | 255,980 \$ | 6,195,601 | 107.75% |
| 1993 | 4,841,678 | 5,066,272 | 104.64% | 217,070 | 5,283,342 | 109.12% |
| 1994 | 5,047,309 | 5,372,192 | 106.44% | 228,890 | 5,601,082 | 110.97% |
| 1995 | 4,962,551 | 5,024,418 | 101.19% | 238,335 | 5,262,753 | 106.12% |
| 1996 | 5,309,141 | 5,243,350 | 98.76% | 156,743 | 5,400,093 | 101.71% |
| 1997 | 5,977,025 | 5,236,546 | 87.61% | 175,404 | 5,411,950 | 90.55% |
| 1998 | 6,120,181 | 5,420,929 | 88.57% | 185,983 | 5,606,912 | 91.61% |
| 1999 | 6,420,655 | 5,699,096 | 88.77% | 166,327 | 5,865,423 | 91.35% |
| 2000 | 6,880,850 | 6,464,711 | 93.95% | 139,088 | 6,603,799 | 95.97% |
| 2001 | 7,073,947 | 6,992,736 | 98.85% | 151,339 | 7,144,075 | 100.99% |
| 2002 | 8,271,224 | 8,307,872 | 100.44% | 250,939 | 8,558,811 | 103.48% |
| 2003 | 8,426,505 | 8,523,576 | 101.15% | 69,133 | 8,592,709 | 101.97% |
| 2004 | 9,536,891 | 9,449,034 | 99.08% | 58,669 | 9,507,703 | 99.69% |
| 2005 | 11,362,185 | 10,892,350 | 95.86% | 85,125 | 10,977,475 | 96.61% |
| 2006 | 13,630,827 | 13,805,122 | 101.28% | 122,857 | 13,927,980 | 102.18% |
| 2007 | 15,706,796 | 16,120,226 | 102.63% | 85,260 | 16,205,486 | 103.17% |
| 2008 | 17,388,237 | 16,726,245 | 96.19% | 145,777 | 16,872,022 | 97.03% |
| 2009 | 17,600,670 | 16,124,835 | 91.61% | 604,423 | 16,729,257 | 95.05% |
| 2010 | 16,514,331 | 14,230,471 | 86.17% | 578,940 | 14,809,410 | 89.68% |

COUNTY OF MONO

**Property Tax Value Allocation Collection
1992-93 through 2010-11
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% |

COUNTY OF MONO
Property Tax 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
2010-11

TAX AREAS 51-00 THRU 51-13/ 51-19 THRU 51-33

| | <u>PERCENTAGE</u> |
|-----------------------|-------------------|
| PROP 13 (1% Limit) | 1.000000 |
| ESUSD BOND Current | 0.056973 |
| ESUSD BOND Redemption | 0.003027 |
| TOTAL | 1.060000 |

TAX AREAS: 51-14 THRU 51-18

| | |
|-----------------------|-----------------|
| PROP 13 (1% Limit) | 1.000000 |
| ESUSD BOND Current | 0.056973 |
| ESUSD BOND Redemption | 0.003027 |
| June Lake PUD Bond | 0.000000 |
| TOTAL | 1.060000 |

TAX AREAS: 10-00, 10-02, 10-03,10-04, 10-06, 10-08, 10-11, 10-12

| | |
|--|-----------------|
| PROP 13 (1% Limit) | 1.000000 |
| Mammoth Unified Bond '98, '00 & '01 | 0.000000 |
| Mammoth-Kern SFID | 0.000000 |
| Southern Mono Hospital Bond Redemption | 0.008504 |
| Southern Mono Hospital Bond Current | 0.020577 |
| TOTAL | 1.029081 |

TAX AREAS: 10-01,10-05,10-07,10-09,10-10

| | |
|--|-----------------|
| PROP 13 (1% Limit) | 1.000000 |
| Mammoth-Kern SFID | 0.000000 |
| Mammoth County Water Improv. Bond #2 | 0.000000 |
| Southern Mono Hospital Bond Redemption | 0.008504 |
| Southern Mono Hospital Bond Current | 0.020577 |
| Mammoth Unified Bond '98, '00 & '01 | 0.000000 |
| TOTAL | 1.029081 |

TAX AREAS: 10-13, 59-00, 59-05, 59-07, 59-12

| | |
|--|-----------------|
| PROP 13 (1% Limit) | 1.000000 |
| Mammoth Unified Bond '98, '00 & '01 | 0.000000 |
| Southern Mono Hospital Bond Redemption | 0.008504 |
| Southern Mono Hospital Bond Current | 0.020577 |
| TOTAL | 1.029081 |

TAX AREAS: 60-00

| | |
|---|-----------------|
| PROP 13 (1% Limit) | 1.000000 |
| Round Valley Bond (Determined by Inyo County) | 0.000000 |
| Bishop HS Bond (Determined by Inyo County) | 0.000000 |
| Southern Mono Hospital Bond Redemption | 0.008504 |
| Southern Mono Hospital Bond Current | 0.020577 |
| TOTAL | 1.029081 |

TAX AREAS: 60-01 THRU 60-06

| | |
|---|-----------------|
| PROP 13 (1% Limit) | 1.000000 |
| Round Valley Bond (Determined by Inyo County) | 0.000000 |
| Bishop HS Bond (Determined by Inyo County) | 0.000000 |
| TOTAL | 1.000000 |

COUNTY OF MONO
Distribution of Pooled Property Tax
1992-93 through 2010-11

| <u>Fiscal Year</u> | <u>County</u> | <u>Town of Mammoth Lakes</u> | <u>Schools 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% |

COUNTY OF MONO
Tax Collections
1992-93 through 2010-11

| Fiscal Year | General Fund | | Secured and Unsecured | | | | Totals |
|-------------|---------------|--------------|-----------------------|--|-------------------|---------------|--------|
| | Secured | Unsecured | Town of Mammoth | School Districts and Augmentation Fund | Special Districts | | |
| 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 | |

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

** *These figures are based upon the AB-8 Allocation and not actual receipts*

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.

COUNTY OF MONO

**Triple Flip
2010-11**

| | <u>COUNTY</u> | | | <u>TOWN</u> | | | <u>SPECIAL</u> <u>DISTRICTS</u> |
|----------------|------------------|------------|-----------------|------------------|------------|-----------------|------------------------------------|
| | <i>Sales Tax</i> | <i>VLF</i> | <i>ERAF III</i> | <i>Sales Tax</i> | <i>VLF</i> | <i>ERAF III</i> | <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 |

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, 2011

| | | |
|----------------------------------|---|------------|
| 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 | 48 |
| | Non-Sworn Sheriff/Jail Personnel | 4 |
| | Number of Stations | 3 |
| | Number of Employees | 52 |
| | Full-Time <i>(Includes Public Protection Employees)</i> | 269 |
| | Part-Time | 32 |
| | Total | 301 |
| | <u>November-10</u> | |
| Elections: | Registered Voters | 6,286 |
| | Number of Votes Cast Last General Election | 4,511 |
| | Percentage of Registered Voters Voting | 71.76% |

COUNTY OF MONO
Miscellaneous Statistical Information
June 30, 2011

| Population: | <u>FY Year</u> | <u>County</u> | <u>Incorporated</u> | <u>Total</u> |
|---------------------|-----------------------|----------------------|----------------------------|---------------------|
| | 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 |
| | 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 |

*** No Data Kept for these years