

COUNTY OF MONO
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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

P.O. Box 495
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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, 2010, is hereby submitted in accordance with Section 25253 of the Government Code. We believe the data, as presented, is accurate in all material aspects and this report presents fairly the financial position and results of operations of the County's various funds. It also includes necessary and appropriate disclosures and supplementary data to enable the reader to fully understand the overall County financial position.

ACCOUNTING AND BUDGETARY POLICIES

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

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

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

The concept of reasonable assurance recognizes that:

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

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

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

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

GENERAL GOVERNMENT FUNCTIONS

Revenues from all Governmental fund type sources totaled \$54,122,064 in 2009-10, an increase of 6.85 percent from 2008-09. The amount of variance from the prior fiscal year is shown in the following tabulation. For fiscal year 2009-10 this variance is less than last year due mainly to the influx of Federal Stimulus dollars. Property values are down, and the slight increase is due more from delinquent properties being sold and taxes paid, as opposed to real tax revenues increasing.

Sources: FY 2009-10	Amount	Percent of Total	Increase (Decrease) from FY 2008-09
Taxes and assessments	24,134,772	44.59%	886,535
Licenses and permits	563,268	1.04%	(100,542)
Fines, forfeitures and penalties	979,302	1.81%	(65,418)
Use of money and property	343,630	0.63%	(354,441)
Intergovernmental	21,587,829	39.89%	1,097,878
Charges for current services	4,280,269	7.91%	142,404
Other revenue	2,232,994	4.13%	1,862,959
TOTAL	54,122,064	100.00%	3,469,375

Expenditures for all Governmental fund type functions, excluding internal service funds, totaled \$55,353,866, an increase of 8.09 percent over 2008-09. The amount of variance from the prior fiscal year is shown in the following tabulation. The highest single increase is in Public Protection. The reduction in Capital Outlay can be accounted for by the reduction in Grant construction and the decrease in Recreation and Culture is a reflection of the combination of the parks personnel and projects into Public Ways and Facilities. In addition, departments and therefore funds are now charged for services provided by the County's internal service funds.

Sources: FY 2009-10	Amount	Percent of Total	Increase (Decrease) from FY 2008-09
General Government	7,958,897	14.38%	(3,194,490)
Public Protection	23,237,345	41.98%	6,755,387
Public Ways and Facilities	8,867,763	16.02%	2,616,976
Health and Sanitation	9,299,852	16.80%	(431,942)
Public Assistance	4,855,700	8.77%	759,132
Education	48,485	0.09%	12,122
Recreation and Culture	52,137	0.09%	(1,094,930)
Capital Outlay	1,033,687	1.87%	(1,281,510)
TOTAL	55,353,866	100.00%	4,140,745

At June 30, 2010, the Governmental fund types unreserved fund balance of \$18,056,034 was composed of the following:

General Fund	\$ 12,051,459
Road Fund	1,341,692
Special Revenue	(693,918)
Other Governmental	4,616,388

Not included in these Governmental Fund type balances, is \$41,041,556 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 \$(516,562), (1,351,766) and \$(3,628,094) respectively, thus making the net assets \$58,828,359 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 \$43,139,363. This amount represents the book value of the assets, including those of the internal service funds. Of this amount, \$6,982,331 is non-depreciable.

February 2, 2011

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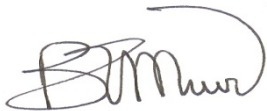
INDEPENDENT AUDIT

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. The County has not yet realized all revenues associated with development and growth, but the demand for services is already present and the increased costs reflect that demand.

Respectfully submitted this 2nd day of February, 2011,

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

BRIAN MUIR
DIRECTOR OF FINANCE
AUDITOR-CONTROLLER
COUNTY OF MONO

BM/rr

COUNTY OF MONO
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2010

<u>DEPARTMENT</u>	<u>DEPARTMENT OFFICIAL</u>
Assessor	Jody Henning
Board of Supervisors	
District #1	Tom Farnetti
District #2	Duane "Hap" Hazard, Vice-Chairman
District #3	Vikki Magee-Bauer
District #4	Robert Peters
District #5	Byng Hunt, Chairman
Clerk-Recorder	Lynda Roberts
County Counsel	Marshall Rudolph
County Administrative Officer	David Wilbrecht
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	Vacant
Sheriff-Coroner	Richard Scholl
Superintendent of Schools	Stacy Adler, Ph.D.
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, 2010, 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, 2010, 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 February 2, 2011, 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

The Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Mono's basic financial statements. The accompanying information identified in the table of contents as introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Gallina LLP

Roseville, California
February 2, 2011

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, 2010. 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 \$54,028,167 (net assets). Of this amount, \$9,097,497 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 increased by \$596,657 from the June 30, 2009, report. This increase is a result of a combination of factors. In anticipation of reduced revenues, the Board of Supervisors reduced their spending accordingly. In addition, long-term debt was reduced both by normal payments and then by the early payoff of a capital lease. Surprisingly, property tax receipts increased over last year, but this is believed to be as a result of tax defaulted properties being sold under trustee sales, thus delinquent taxes paid. Overall assets decreased less than 1% and liabilities decreased 3.2%.
- As of June 30, 2010, the County's governmental funds reported combined ending fund balances of \$18,056,034, a decrease of \$1,391,802 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 down \$1.8 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$11,880,361, or 28% of total general fund expenditures, a 13% decrease from last year.
- Total long-term liabilities in the Solid Waste enterprise fund decreased by \$165,199 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.

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.

COUNTY OF MONO

Management Discussion and Analysis

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.

B. Fund Financial Statements

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

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

COUNTY OF MONO

Management Discussion and Analysis

The County maintains 93 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.

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.

COUNTY OF MONO

Management Discussion and Analysis

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	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Current and other assets	\$ 25,716,600	\$ 26,239,050	\$ 2,386,145	\$ 3,359,608	\$ 28,102,745	\$ 29,598,658
Capital assets	43,139,363	42,384,530	2,838,363	2,163,166	45,977,726	44,547,696
Total assets	<u>\$ 68,855,963</u>	<u>\$ 68,623,580</u>	<u>\$ 5,224,508</u>	<u>\$ 5,522,774</u>	<u>\$ 74,080,471</u>	<u>\$ 74,146,354</u>
Current and other liabilities	4,531,182	\$ 4,963,737	572,970	\$ 524,638	\$ 5,104,152	\$ 5,488,375
Long-term liabilities	5,496,422	5,609,540	9,451,730	9,616,929	14,948,152	15,226,469
Total liabilities	<u>10,027,604</u>	<u>10,573,277</u>	<u>10,024,700</u>	<u>10,141,567</u>	<u>20,052,304</u>	<u>20,714,844</u>
Net assets:						
Invested in capital assets, net	42,622,801	41,450,416	2,605,028	1,896,499	45,227,829	43,346,915
Restricted net assets	7,108,061	5,897,027	2,513,946	3,931,917	9,622,007	9,828,944
Unrestricted net assets	9,097,497	10,702,860	(9,919,166)	(10,447,209)	(821,669)	255,651
Total net assets	<u>58,828,359</u>	<u>58,050,303</u>	<u>(4,800,192)</u>	<u>(4,618,793)</u>	<u>54,028,167</u>	<u>53,431,510</u>
Total Liabilities and Net Assets	<u>\$ 68,855,963</u>	<u>\$ 68,623,580</u>	<u>\$ 5,224,508</u>	<u>\$ 5,522,774</u>	<u>\$ 74,080,471</u>	<u>\$ 74,146,354</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.

Total unrestricted net assets represent -1.8% 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 21.3% and may be used to meet the County's ongoing obligations for governmental activities.

COUNTY OF MONO

Management Discussion and Analysis

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

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Program Revenues:						
Fees, Fines & Charges for services	\$ 5,765,060	\$ 5,871,395	\$ 1,946,191	\$ 1,933,653	\$ 7,711,251	\$ 7,805,048
Operating Grants	20,697,355	17,929,709	11,000	78,865	20,708,355	18,008,574
Capital Grants	1,490,555	3,347,197	787,697	--	2,278,252	3,347,197
General Revenues:						
Property Taxes	20,953,648	19,903,428	--	--	20,953,648	19,903,428
Sales and Use taxes	457,741	487,632	--	--	457,741	487,632
Other Taxes	2,723,383	2,857,177	--	--	2,723,383	2,857,177
Other Revenue	2,247,132	358,491	2	--	2,247,134	358,491
Interest/investment earnings	359,670	716,452	53,053	129,333	412,723	845,785
Total Revenues:	54,694,544	51,471,481	2,797,943	2,141,851	57,492,487	53,613,332
Expenses:						
General Government	7,968,103	10,526,487	--	--	7,968,103	10,526,487
Public Protection	23,165,245	16,543,176	--	--	23,165,245	16,543,176
Public Ways and Facilities	8,537,065	8,054,553	--	--	8,537,065	8,054,553
Health and Sanitation	9,047,728	9,648,335	--	--	9,047,728	9,648,335
Public Assistance	4,830,643	4,117,869	--	--	4,830,643	4,117,869
Education	48,485	36,363	--	--	48,485	36,363
Culture and Recreation	159,219	1,283,205	--	--	159,219	1,283,205
Interest and Fiscal Charges	--	--	206,814	211,784	206,814	211,784
Solid Waste Landfill	--	--	2,760,714	5,613,341	2,760,714	5,613,341
Airport	--	--	147,724	51,582	147,724	51,582
Cemeteries	--	--	3,579	6,362	3,579	6,362
Campgrounds	--	--	20,511	19,118	20,511	19,118
Total Expenditures:	53,756,488	50,209,988	3,139,342	5,902,187	56,895,830	56,112,175
Change in Net Assets before Transfers	938,056	1,261,493	(341,399)	(3,760,336)	596,657	(2,498,843)
Transfers	(160,000)	136,613	160,000	(136,613)	--	--
Change in Net Assets	778,056	1,398,106	(181,399)	(3,896,949)	596,657	(2,498,843)
Net Assets, beginning	58,050,303	56,652,197	(4,618,793)	(721,844)	53,431,510	55,930,353
Net Assets, ending	\$ 58,828,359	\$ 58,050,303	\$ (4,800,192)	\$ (4,618,793)	\$ 54,028,167	\$ 53,431,510

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 increased by \$754,833 (1.8%) in fiscal year 2009-10 net of depreciation. Depreciation for 2009-10 was \$4,203,768. 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, unreserved 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, 2010, the County's governmental funds reported combined ending fund balances of \$18,056,034, a decrease of \$1,391,802 in comparison with the prior year. The decrease is partially comprised over-all expenditures exceeding over-all revenues. Approximately 95% of the total governmental fund balance (\$17,140,088) constitutes unreserved 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 committed: 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.

The general fund is the main operating fund of the County. At June 30, 2010, unreserved fund balance of the general fund was \$11,880,361 while total fund balance reached \$12,351,595. As measures of the general fund's liquidity, it is useful to note that unreserved fund balance represents 28% percent of total fund expenditures, while total fund balance represents 29% percent of that same amount.

The Road fund had an unreserved fund balance of \$1,341,692 (restricted to road uses), while the total fund balance reached \$1,781,969 this year. These increases over the prior year were caused by an infusion of General Fund dollars.

The Bioterrorism fund is considered a major fund. At June 30, 2010, the unreserved fund balance showed a deficit of \$693,918. This situation is due to delays in funding this expenditure grant once the expenditures have been made. The general fund covers this fund while waiting for reimbursement.

Revenues for government functions totaled approximately \$54,122,064 for fiscal year 2009-10, which represents an increase of 7% from fiscal year 2008-09. Intergovernmental revenues increased 5% or \$1,097,878.

COUNTY OF MONO

Management Discussion and Analysis

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 2009-10		FY 2008-09		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 24,134,772	44.59%	\$ 23,248,237	45.90%	\$ 886,535	3.81%
Licenses and Permits	563,268	1.04%	663,810	1.31%	(100,542)	-15.15%
Fines, Forfeitures & Penalties	979,302	1.81%	1,044,720	2.06%	(65,418)	-6.26%
Use of Money & Property	343,630	0.63%	698,071	1.38%	(354,441)	-50.77%
Intergovernmental	21,587,829	39.89%	20,489,951	40.45%	1,097,878	5.36%
Charges for Services	4,280,269	7.91%	4,137,865	8.17%	142,404	3.44%
Other	2,232,994	4.13%	370,035	0.73%	1,862,959	503.45%
Total	<u>\$ 54,122,064</u>	<u>100.00%</u>	<u>\$ 50,652,689</u>	<u>100.00%</u>	<u>\$ 3,469,375</u>	<u>6.85%</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 very slight increase is attributable to the payment of delinquent taxes and a slight resurgence of tourism.
- Fines, forfeitures and penalties – Mono County fines have decreased. Many of the fines, forfeitures and penalties are generated by visiting tourists. As tourism is down, so are these revenue sources.
- Charges for Services – there has been very little change over the prior year. The small 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 2009-10		FY 2008-09		Change	
	Amount	% of total	Amount	% of total	Amount	% of Change
General government	\$ 7,958,897	14.38%	\$ 11,153,387	21.78%	\$ (3,194,490)	-28.64%
Public protection	23,237,345	41.98%	16,481,958	32.18%	6,755,387	40.99%
Public ways and facilities	8,867,763	16.02%	6,250,787	12.21%	2,616,976	41.87%
Health and sanitation	9,299,852	16.80%	9,731,794	19.00%	(431,942)	-4.44%
Public assistance	4,855,700	8.77%	4,093,568	7.99%	762,132	18.62%
Education	48,485	0.09%	36,363	0.07%	12,122	33.34%
Culture and recreation	52,137	0.09%	1,147,067	2.24%	(1,094,930)	-95.45%
Capital outlay	1,033,687	1.87%	2,315,197	4.52%	(1,281,510)	-55.35%
Total	<u>\$ 55,353,866</u>	<u>100.00%</u>	<u>\$ 51,210,121</u>	<u>100.00%</u>	<u>\$ 4,143,745</u>	<u>8.09%</u>

Significant changes for major functions are explained below.

- General government – \$3,194,490 decrease in expenditures resulted mainly from the difference in the increase in salaries and health benefits less cost saving measures implemented by the Board of Supervisors.
- Public Protection – \$6,755,687 increase in expenditures, like General government, resulted mainly from increases in salaries and health benefits. Unlike General Government, Federal Stimulus Grant money was available and used for various projects.
- Public ways and facilities – Many road projects are grant funded. There was a 41.8% increase resulting from combining the parks program (formally in Culture and Recreation) into Public ways and facilities.
- Public assistance – FY 2009-10 saw an increase in Public Assistance expenditures in the amount of \$762,132. 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.

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 revenues exceeded budgetary estimates by \$2,411,594. Actual expenditures were less than budgetary estimates by \$2,180,044. The net effect of both over-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$4,591,638, leaving a positive budgetary fund balance going into FY 2010-11.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County's investment in capital assets for its Governmental Activities as of June 30, 2010, amounts to \$43,139,363 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment infrastructure and construction in progress. The total increase in the County's net investment in capital assets for the current period was 1.7% (net of accumulated depreciation). More detailed discussion can be found in Note 5 in the Notes to the Financial Statements section in this report. The current year depreciation is \$4,042,409. Business type function assets increased \$675,194 to \$2,838,363 with current year depreciation amounting to \$161,359.

Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Land	\$ 5,957,357	\$ 5,589,952	\$ 233,335	\$ 233,335	\$ 6,190,692	\$ 5,823,287
Structures & improvements	11,370,744	11,332,515	1,464,493	1,506,741	12,835,237	12,839,256
Equipment	4,557,727	4,774,877	55,417	174,528	4,613,144	4,949,405
Infrastructure	19,999,960	19,805,225	--	--	19,999,960	19,805,225
Intangibles	228,601	--	--	--	228,601	--
Construction in progress	1,024,974	881,961	1,085,118	248,562	2,110,092	1,130,523
Total	<u>\$ 43,139,363</u>	<u>\$ 42,384,530</u>	<u>\$ 2,838,363</u>	<u>\$ 2,163,166</u>	<u>\$ 45,977,726</u>	<u>\$ 44,547,696</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 5 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, 2010, the County Governmental Accounts had total long-term liabilities outstanding of \$5,496,422, consisting of \$516,562 in capitalized lease obligations, \$3,628,094 in compensated absences, and \$1,351,766 in potential claims liability. The Business type accounts had \$3,770,000 in certificates of participation payable, \$233,334 in loans payable and

COUNTY OF MONO

Management Discussion and Analysis

\$5,492,349 in landfill post-closure costs. Additional information on the County's long-term liabilities can be found in Note 6 of the financial statements.

VII. ECONOMIC FACTORS AND 2010-11 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 12.5 percent in December 2010 and the United States unemployment rate, also at 9.4 percent.
- Property tax value is expected to remain static in 2010-11. Since the first major declines in the past 2 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 2010-11 budget projects a 10% increase in health costs (6 months) included in benefits as a result of the escalating health costs nationwide. It also projects increases for enhanced retirement benefits for both safety and MCPEA bargaining units. MOU negotiations will begin in December for 5 different bargaining units.

These factors plus others were considered in preparing the County's budget for the 2010-11 fiscal year.

During the current fiscal year, the unreserved general fund monies decreased to \$12,051,459. County reserves declined in 2009-10 by \$1.3 million. It expects to use \$2.3 million from reserves during 2010-11 fiscal year with \$1.2 funding the Solid Waste Program. Approximately \$1.4 million is scheduled for contingencies in 2010-11, and conservatism is urged not only for the up-coming fiscal year, but for future years as well.

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, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 13,384,110	\$ 184,905	\$ 13,569,015
Cash with fiscal agent	146,748	428,890	575,638
Restricted cash	--	2,513,946	2,513,946
Accounts receivable	841,205	342,362	1,183,567
Due from other governments	2,938,849	376,048	3,314,897
Taxes receivable	2,165,702	--	2,165,702
Deposits with others	3,178,113	--	3,178,113
Other asset - OPEB	684,679	--	684,679
Prepaid expenses	175,533	--	175,533
Inventories	441,543	2,112	443,655
Loan receivable	298,000	--	298,000
Internal balances	1,462,118	(1,462,118)	--
Capital assets:			
Nondepreciable	6,982,331	1,318,453	8,300,784
Depreciable, net	36,157,032	1,519,910	37,676,942
Total Assets	\$ 68,855,963	\$ 5,224,508	\$ 74,080,471
<u>LIABILITIES</u>			
Accounts payable	\$ 441,947	\$ 464,978	\$ 906,925
Salaries and benefits payable	2,883,945	76,256	2,960,201
Interest payable	--	31,736	31,736
Unearned revenue	1,205,290	--	1,205,290
Long-Term Liabilities:			
Portion due or payable within one year:			
Certificates of participation, net of amortized discount	--	160,000	160,000
Capital leases	207,876	--	207,876
Loan payable	--	33,333	33,333
Liability for compensated absences	725,618	9,628	735,246
Claims liability	1,351,766	--	1,351,766
Portion due or payable after one year:			
Certificates of participation, net of amortized discount	--	3,517,907	3,517,907
Capital leases	308,686	--	308,686
Loan payable	--	200,001	200,001
Liability for compensated absences	2,902,476	38,512	2,940,988
Closure/post-closure liability	--	5,492,349	5,492,349
Total Liabilities	10,027,604	10,024,700	20,052,304
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	42,622,801	2,605,029	45,227,830
Restricted for:			
Legally segregated taxes, grants and fees	5,949,918	--	5,949,918
Debt service and capital projects	1,158,143	--	1,158,143
Closure and postclosure costs	--	2,513,946	2,513,946
Unrestricted	9,097,497	(9,919,167)	(821,670)
Total Net Assets	58,828,359	(4,800,192)	54,028,167
Total Liabilities and Net Assets	\$ 68,855,963	\$ 5,224,508	\$ 74,080,471

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

COUNTY OF MONO

Statement of Activities For the Year Ended June 30, 2010

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	\$ 13,906,596	\$ (5,938,493)	\$ 2,398,341	\$ 1,477,811	\$ --
Public protection	19,692,954	3,472,291	557,289	6,509,061	--
Public ways and facilities	7,544,316	992,749	942,136	3,435,934	1,328,728
Health and sanitation	8,249,584	798,144	1,779,099	8,976,785	--
Public assistance	4,168,674	661,969	88,195	84,896	--
Education	35,145	13,340	--	1,660	--
Recreation and culture	159,219	--	--	211,208	161,827
Total Governmental Activities	53,756,488	--	5,765,060	20,697,355	1,490,555
Business-Type Activities:					
Solid Waste	2,967,528	--	1,907,749	11,000	--
Airport	147,724	--	9,320	--	787,697
Cemeteries	3,579	--	3,192	--	--
Campgrounds	20,511	--	25,930	--	--
Total Business-type Activities	3,139,342	--	1,946,191	11,000	787,697
Total Mono County	\$ 56,895,830	\$ --	\$ 7,711,251	\$ 20,708,355	\$ 2,278,252

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Transient occupancy tax

Other

Unrestricted interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year

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
\$ (4,091,951)	\$ --	\$ (4,091,951)
(16,098,895)	--	(16,098,895)
(2,830,267)	--	(2,830,267)
1,708,156	--	1,708,156
(4,657,552)	--	(4,657,552)
(46,825)	--	(46,825)
213,816	--	213,816
<u>(25,803,518)</u>	<u>--</u>	<u>(25,803,518)</u>
--	(1,048,779)	(1,048,779)
--	649,293	649,293
--	(387)	(387)
--	5,419	5,419
<u>--</u>	<u>(394,454)</u>	<u>(394,454)</u>
(25,803,518)	(394,454)	(26,197,972)
20,953,648	--	20,953,648
457,741	--	457,741
2,436,767	--	2,436,767
286,616	--	286,616
359,670	53,053	412,723
2,247,132	2	2,247,134
(160,000)	160,000	--
<u>26,581,574</u>	<u>213,055</u>	<u>26,794,629</u>
778,056	(181,399)	596,657
<u>58,050,303</u>	<u>(4,618,793)</u>	<u>53,431,510</u>
<u>\$ 58,828,359</u>	<u>\$ (4,800,192)</u>	<u>\$ 54,028,167</u>

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

COUNTY OF MONO

Balance Sheet Governmental Funds June 30, 2010

	General	Road	Bio Terrorism	Other Governmental	Total
<u>Assets</u>					
Cash and investments	\$ 7,263,426	\$ 920,087	\$ --	\$ 4,590,146	\$ 12,773,659
Cash with fiscal agent	146,748	--	--	--	146,748
Accounts receivable	281,672	241,604	126,928	191,001	841,205
Due from other governments	2,108,584	435,226	395,039	--	2,938,849
Taxes receivable	2,165,702	--	--	--	2,165,702
Deposits with others	3,178,113	--	--	--	3,178,113
Prepays	171,098	--	--	4,435	175,533
Inventories	1,266	440,277	--	--	441,543
Due from other funds	2,309,569	--	--	--	2,309,569
Loans receivable	298,000	--	--	--	298,000
Total Assets	<u>\$ 17,924,178</u>	<u>\$ 2,037,194</u>	<u>\$ 521,967</u>	<u>\$ 4,785,582</u>	<u>\$ 25,268,921</u>
<u>Liabilities</u>					
Accounts payable	\$ 387,417	\$ 51,870	\$ 33	\$ --	\$ 439,320
Salaries and benefits payable	2,569,184	203,355	28,193	83,213	2,883,945
Due to other funds	--	--	792,620	36,947	829,567
Unearned revenue	1,156,256	--	--	49,034	1,205,290
Deferred revenue	1,459,726	--	395,039	--	1,854,765
Total Liabilities	<u>5,572,583</u>	<u>255,225</u>	<u>1,215,885</u>	<u>169,194</u>	<u>7,212,887</u>
<u>Fund Balances</u>					
Reserved:					
Imprest cash	870	--	--	--	870
Prepays	171,098	--	--	4,435	175,533
Inventory	1,266	440,277	--	--	441,543
Loans receivable	298,000	--	--	--	298,000
Unreserved:					
Undesignated, reported in:					
General fund	11,880,361	--	--	--	11,880,361
Special revenue funds	--	1,341,692	(693,918)	3,453,810	4,101,584
Capital projects funds	--	--	--	1,158,143	1,158,143
Total Fund Balances	<u>12,351,595</u>	<u>1,781,969</u>	<u>(693,918)</u>	<u>4,616,388</u>	<u>18,056,034</u>
Total Liabilities and Fund Balances	<u>\$ 17,924,178</u>	<u>\$ 2,037,194</u>	<u>\$ 521,967</u>	<u>\$ 4,785,582</u>	<u>\$ 25,268,921</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, 2010

Fund Balance - total governmental funds (page 20)	\$ 18,056,034
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	684,679
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	41,041,556
Deferred revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	
	1,854,765
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.	
	2,687,747
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	(516,562)
Claims liability	(1,351,766)
Compensated absences	<u>(3,628,094)</u>
Net assets of governmental activities (page 18)	<u>\$ 58,828,359</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, 2010

	General	Road	Bio Terrorism	Other Governmental	Total
Revenues:					
Taxes	\$ 23,952,729	\$ --	\$ --	\$ 182,043	\$ 24,134,772
Licenses and permits	557,598	5,670	--	--	563,268
Fines, forfeitures and penalties	812,703	41,999	--	124,600	979,302
Use of money and property	201,633	25,422	(8,813)	125,388	343,630
Intergovernmental	12,206,806	4,682,964	630,202	4,067,857	21,587,829
Charges for services	3,367,515	894,467	--	18,287	4,280,269
Other revenues	1,712,326	7,463	--	513,205	2,232,994
Total Revenues	<u>42,811,310</u>	<u>5,657,985</u>	<u>621,389</u>	<u>5,031,380</u>	<u>54,122,064</u>
Expenditures:					
Current:					
General government	7,789,627	--	--	169,270	7,958,897
Public protection	21,124,766	--	919,326	1,193,253	23,237,345
Public ways and facilities	1,532,347	7,298,166	--	37,250	8,867,763
Health and sanitation	7,848,896	--	--	1,450,956	9,299,852
Public assistance	4,354,088	--	--	501,612	4,855,700
Education	48,485	--	--	--	48,485
Recreation and culture	--	--	--	52,137	52,137
Capital outlay	--	--	--	1,033,687	1,033,687
Total Expenditures	<u>42,698,209</u>	<u>7,298,166</u>	<u>919,326</u>	<u>4,438,165</u>	<u>55,353,866</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>113,101</u>	<u>(1,640,181)</u>	<u>(297,937)</u>	<u>593,215</u>	<u>(1,231,802)</u>
Other Financing Sources (Uses):					
Transfers in	288,602	1,399,100	--	1,082,682	2,770,384
Transfers out	(2,116,782)	--	--	(813,602)	(2,930,384)
Total Other Financing Sources (Uses)	<u>(1,828,180)</u>	<u>1,399,100</u>	<u>--</u>	<u>269,080</u>	<u>(160,000)</u>
Net Changes in Fund Balances	(1,715,079)	(241,081)	(297,937)	862,295	(1,391,802)
Fund Balances, Beginning of Year	<u>14,066,674</u>	<u>2,023,050</u>	<u>(395,981)</u>	<u>3,754,093</u>	<u>19,447,836</u>
Fund Balances, End of Year	<u>\$ 12,351,595</u>	<u>\$ 1,781,969</u>	<u>\$ (693,918)</u>	<u>\$ 4,616,388</u>	<u>\$ 18,056,034</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, 2010

Net change to fund balance - total governmental funds (page 22)		\$ (1,391,802)
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	\$ 4,505,954	
Less: current year depreciation	<u>(3,460,973)</u>	1,044,981
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		575,081
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		(318,397)
Change in claims liability		13,963
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.		473,452
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.		<u>380,778</u>
Change in net assets of governmental activities (page 19)		<u><u>\$ 778,056</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, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 250	\$ 83,783	\$ 100,872	\$ 184,905	\$ 610,451
Cash with fiscal agent	428,890	--	--	428,890	--
Accounts receivable	179,184	163,178	--	342,362	--
Due from other governments	--	376,048	--	376,048	--
Inventory	--	2,112	--	2,112	--
Total Current Assets	<u>608,324</u>	<u>625,121</u>	<u>100,872</u>	<u>1,334,317</u>	<u>610,451</u>
Noncurrent Assets:					
Restricted cash in Treasury	2,513,946	--	--	2,513,946	--
Capital assets:					
Non-depreciable	--	1,318,453	--	1,318,453	--
Depreciable, net	<u>922,600</u>	<u>597,310</u>	<u>--</u>	<u>1,519,910</u>	<u>2,097,807</u>
Total Noncurrent Assets	<u>3,436,546</u>	<u>1,915,763</u>	<u>--</u>	<u>5,352,309</u>	<u>2,097,807</u>
Total Assets	<u>\$ 4,044,870</u>	<u>\$ 2,540,884</u>	<u>\$ 100,872</u>	<u>\$ 6,686,626</u>	<u>\$ 2,708,258</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	5,737	459,241	--	464,978	2,627
Salaries and benefits payable	76,256	--	--	76,256	--
Interest payable	31,736	--	--	31,736	--
Due to other funds	1,462,118	--	--	1,462,118	17,884
Certificates of participation	160,000	--	--	160,000	--
Loan payable	33,333	--	--	33,333	--
Liability for compensated absences	9,628	--	--	9,628	--
Total Current Liabilities	<u>1,778,808</u>	<u>459,241</u>	<u>--</u>	<u>2,238,049</u>	<u>20,511</u>
Noncurrent Liabilities:					
Certificates of participation, net of unamortized discount	3,517,907	--	--	3,517,907	--
Loan payable	200,001	--	--	200,001	--
Liability for compensated absences	38,512	--	--	38,512	--
Closure and postclosure liability	5,492,349	--	--	5,492,349	--
Total Noncurrent Liabilities	<u>9,248,769</u>	<u>--</u>	<u>--</u>	<u>9,248,769</u>	<u>--</u>
Total Liabilities	<u>11,027,577</u>	<u>459,241</u>	<u>--</u>	<u>11,486,818</u>	<u>20,511</u>
NET ASSETS					
Invested in capital assets, net of related debt	689,266	1,915,763	--	2,605,029	2,097,807
Unrestricted	<u>(7,671,973)</u>	<u>165,880</u>	<u>100,872</u>	<u>(7,405,221)</u>	<u>589,940</u>
Total Net Assets	<u>(6,982,707)</u>	<u>2,081,643</u>	<u>100,872</u>	<u>(4,800,192)</u>	<u>2,687,747</u>
Total Liabilities and Net Assets	<u>\$ 4,044,870</u>	<u>\$ 2,540,884</u>	<u>\$ 100,872</u>	<u>\$ 6,686,626</u>	<u>\$ 2,708,258</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, 2010

	Business-Type Activities - Enterprise Funds			Governmental	
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 1,907,749	\$ 9,320	\$ 29,122	\$ 1,946,191	\$ 1,078,410
Total Operating Revenues	<u>1,907,749</u>	<u>9,320</u>	<u>29,122</u>	<u>1,946,191</u>	<u>1,078,410</u>
Operating Expenses:					
Salaries and benefits	1,019,017	--	--	1,019,017	--
Services and supplies	1,577,078	133,394	24,090	1,734,562	340,962
Closure and postclosure costs	17,590	--	--	17,590	--
Depreciation and amortization	147,029	14,330	--	161,359	581,436
Total Operating Expenses	<u>2,760,714</u>	<u>147,724</u>	<u>24,090</u>	<u>2,932,528</u>	<u>922,398</u>
Operating Income (Loss)	<u>(852,965)</u>	<u>(138,404)</u>	<u>5,032</u>	<u>(986,337)</u>	<u>156,012</u>
Non-Operating Revenue (Expenses):					
Interest income	43,765	6,519	2,769	53,053	16,040
Interest expense	(206,814)	--	--	(206,814)	--
Operating grants	11,000	--	--	11,000	--
Miscellaneous	2	--	--	2	14,138
Total Non-Operating Revenue (Expenses)	<u>(152,047)</u>	<u>6,519</u>	<u>2,769</u>	<u>(142,759)</u>	<u>30,178</u>
Income (Loss) Before Transfers and Contributions	(1,005,012)	(131,885)	7,801	(1,129,096)	186,190
Capital contributions	--	787,697	--	787,697	194,588
Transfers in	--	160,000	--	160,000	--
Change in Net Assets	(1,005,012)	815,812	7,801	(181,399)	380,778
Net Assets - Beginning of Year	<u>(5,977,695)</u>	<u>1,265,831</u>	<u>93,071</u>	<u>(4,618,793)</u>	<u>2,306,969</u>
Net Assets - End of Year	<u>\$ (6,982,707)</u>	<u>\$ 2,081,643</u>	<u>\$ 100,872</u>	<u>\$ (4,800,192)</u>	<u>\$ 2,687,747</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, 2010

	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	\$ 1,898,458	\$ 9,320	\$ 29,122	\$ 1,936,900	\$ --
Cash receipts from internal fund services provided	--	--	--	--	1,078,410
Cash paid to suppliers for goods and services	(1,985,750)	(133,394)	(29,170)	(2,148,314)	(340,521)
Cash paid to employees for services	(1,008,099)	--	--	(1,008,099)	--
Net Cash Provided (Used) by Operating Activities	(1,095,391)	(124,074)	(48)	(1,219,513)	737,889
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in (out)	--	160,000	--	160,000	--
Interfund loans	442,142	--	--	442,142	17,884
Operating grants	11,000	--	--	11,000	14,138
Principal repayments	(188,333)	--	--	(188,333)	--
Interest payments	(207,847)	--	--	(207,847)	--
Net Cash Provided (Used) by Noncapital Financing Activities	56,962	160,000	--	216,962	32,022
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	--	291,588	--	291,588	--
Purchase of capital assets	--	(384,394)	--	(384,394)	(532,894)
Sale of capital assets	--	--	--	--	18,642
Net Cash Provided (Used) by Capital and Related Financing Activities	--	(92,806)	--	(92,806)	(514,252)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (paid)	49,348	6,519	2,769	58,636	16,040
Net Cash Provided (Used) by Investing Activities	49,348	6,519	2,769	58,636	16,040
Net Increase (Decrease) in Cash and Cash Equivalents	(989,081)	(50,361)	2,721	(1,036,721)	271,699
Cash and Cash Equivalents, Beginning of Year	3,932,167	134,144	98,151	4,164,462	338,752
Cash and Cash Equivalents, End of Year	<u>\$ 2,943,086</u>	<u>\$ 83,783</u>	<u>\$ 100,872</u>	<u>\$ 3,127,741</u>	<u>\$ 610,451</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Assets					
Cash and investments	\$ 250	\$ 83,783	\$ 100,872	\$ 184,905	\$ 610,451
Cash with fiscal agent	428,890	--	--	428,890	--
Restricted cash in Treasury	2,513,946	--	--	2,513,946	--
Total Cash and Cash Equivalents	<u>\$ 2,943,086</u>	<u>\$ 83,783</u>	<u>\$ 100,872</u>	<u>\$ 3,127,741</u>	<u>\$ 610,451</u>

continued

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

COUNTY OF MONO

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Solid		Enterprise	Enterprise	Service
	Waste	Airport	Funds	Funds	Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (852,965)	\$(138,404)	\$ 5,032	\$ (986,337)	\$ 156,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	147,029	14,330	--	161,359	581,436
Changes in assets and liabilities:					
(Increase) decrease in:					
Receivables	(9,291)	--	--	(9,291)	--
Increase (decrease) in:					
Accounts payable	(408,672)	--	(5,080)	(413,752)	441
Accrued salaries and benefits	10,955	--	--	10,955	--
Closure and postclosure liability	17,590	--	--	17,590	--
Liability for compensated absences	(37)	--	--	(37)	--
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,095,391)</u></u>	<u><u>\$(124,074)</u></u>	<u><u>\$ (48)</u></u>	<u><u>\$ (1,219,513)</u></u>	<u><u>\$ 737,889</u></u>
Noncash Investing, Capital and Financing Activities:					
Transfer of capital assets from other funds	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 194,588</u></u>

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

COUNTY OF MONO

Statement of Fiduciary Net Assets
June 30, 2010

	Investment Trust Fund	Agency Funds
<u>Assets</u>		
Pooled cash and investments	\$ 45,827,123	\$ 4,151,172
 Total Assets	<u>\$ 45,827,123</u>	<u>\$ 4,151,172</u>
 <u>Liabilities</u>		
Agency funds held for others	\$ --	\$ 4,151,172
 Total Liabilities	<u>--</u>	<u>4,151,172</u>
 <u>Net assets</u>		
Net assets held in trust for investment pool participants	<u>45,827,123</u>	<u>--</u>
 Total Net Assets	<u>\$ 45,827,123</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, 2010

	<u>Investment Trust Fund</u>
<u>Additions</u>	
Contributions to pooled investments	\$ 72,745,549
Net investment income:	
Investment income	<u>1,128,086</u>
Total Additions	<u>73,873,635</u>
 <u>Deductions</u>	
Distributions from pooled investments	<u>63,023,596</u>
Total Deductions	<u>63,023,596</u>
Change in net assets	10,850,039
Net Assets - Beginning of Year	<u>34,977,084</u>
Net Assets - End of Year	<u><u>\$ 45,827,123</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 Fiscal Year Ended June 30, 2010

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 Fiscal Year Ended June 30, 2010

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, restricted resources are used only after the unrestricted resources are depleted.

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 Fiscal Year Ended June 30, 2010

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 Fiscal Year Ended June 30, 2010

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 Fiscal Year Ended June 30, 2010

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

D. **Future Accounting Pronouncements**

Governmental Accounting Standards Board Statement 54

The Governmental Accounting Standards Board (GASB) recently released accounting and financial reporting standard, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

GASB 54 establishes new accounting and financial reporting standards for all governments that report governmental funds. The statement provides more clearly defined categories within fund balance to make the nature and extent of the constraints placed on the fund balance more transparent. GASB Statement No. 54 also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund statements. The requirements of this statement will be implemented by the County for the fiscal year ending June 30, 2011 and the impact has not yet been determined.

E. **Encumbrances**

The County does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

F. **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.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

G. 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.

H. 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 fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

I. 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.

J. 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.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

K. 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.

L. 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.

M. Interfund Transactions

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

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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

N. **Property Tax Revenue**

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

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

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

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

O. **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.

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.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 2: **Deficit Fund Balance/Retained Earnings**

The following funds had deficit fund balances/net assets at June 30, 2010, as follows:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds:	
Tobacco	\$ 46,494
Bio Terrorism	693,918
Geothermal	1,600
Enterprise Funds:	
Solid Waste	6,982,707

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.

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.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

At June 30, 2010, total County cash and investments were as follows:

Cash on hand	\$ 877,741
Imprest cash	1,120
Deposits in bank	<u>2,419,379</u>
Total	<u>3,298,240</u>
Investments:	
In Treasurer's pool	62,763,016
With fiscal agents external to the pool	<u>575,638</u>
	<u>63,338,654</u>
Total Cash and Investments	<u>\$ 66,636,894</u>

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

Governmental activities	\$ 13,530,858
Business-type activities	3,127,741
Investment trust fund	45,827,123
Agency funds	<u>4,151,172</u>
Total	<u>\$ 66,636,894</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 4: **Cash and Investments** (continued)

At June 30, 2010, 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	3.1% - 5.2%	03/29/10 - 03/15/14	\$ 38,000,000	\$ 38,153,350	\$ 38,014,512	2.03
Medium Term Corporate Bonds	4.4% - 5.0%	10/27/09 - 12/01/10	6,500,000	6,704,605	6,625,469	0.94
LAIF	Variable	On Demand	18,123,035	18,123,035	18,123,035	0.00
Total investments in investment pool			<u>\$ 62,623,035</u>	<u>\$ 62,980,990</u>	<u>\$ 62,763,016</u>	<u>1.33</u>
Investments outside Investment Pool						
Primary Government:						
<i>Cash held with fiscal agent</i>						
Money Market Mutual Funds	Variable	On Demand	<u>\$ 575,638</u>	<u>\$ 575,638</u>	<u>\$ 575,638</u>	

The fair value of the investments is obtained by the County's safekeeping agent. At June 30, 2010, the difference between the cost and fair value of cash and investments was not material (fair value was 100.35% 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, 2010.

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 4: **Cash and Investments** (continued)

Concentration of Credit Risk (continued)

	S&P	Moody's	% of Portfolio
U.S. Government Agencies	AAA	Aaa	60.65%
Corporate Notes - 06406HBE8	AA-	AA2	0.80%
Corporate Notes - 084664002	AA+	AA2	0.80%
Corporate Notes - 36962G2S2	AA+	AAA	7.98%
Corporate Notes - 911312AG1	AA	AA3	0.80%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	28.97%
Total			100.00%

At June 30, 2010, 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 Farm Credit Bank	12.75%	\$ 8,006,276	
Federal Home Loan Bank	17.54%	11,012,948	
Federal Home Loan Mortgage Corporation	14.33%	8,999,256	
Federal National Mortgage Association	15.92%	9,996,032	
General Electric Company	7.98%	5,011,301	

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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 4: **Cash and Investments** (continued)

Local Agency Investment Fund (continued)

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, 2010, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$18,153,581, 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 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, 2010:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 66,060,136</u>
Equity of external pool participants	\$ 45,827,123
Equity of internal pool participants	20,233,013
Total net assets	<u>\$ 66,060,136</u>

Statement of Changes in Net Assets

Net assets at July 1, 2009	57,898,759
Net change in investments by pool participants	8,161,377
Net assets at June 30, 2010	<u>\$ 66,060,136</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 5,589,952	\$ 367,405	\$ --	\$ 5,957,357
Construction in progress	881,961	143,013	--	1,024,974
Total capital assets, not being depreciated	<u>6,471,913</u>	<u>510,418</u>	<u>--</u>	<u>6,982,331</u>
Capital assets, being depreciated:				
Infrastructure	83,327,069	2,498,930	--	85,825,999
Structures and improvements	16,786,456	510,629	--	17,297,085
Equipment	16,573,933	1,088,769	(414,752)	17,247,950
Intangibles	--	247,460	--	247,460
Total capital assets, being depreciated	<u>116,687,458</u>	<u>4,345,788</u>	<u>(414,752)</u>	<u>120,618,494</u>
Less accumulated depreciation for:				
Infrastructure	(63,521,844)	(2,304,195)	--	(65,826,039)
Structures and improvements	(5,453,941)	(472,400)	--	(5,926,341)
Equipment	(11,799,056)	(1,246,955)	355,788	(12,690,223)
Intangibles	--	(18,859)	--	(18,859)
Total accumulated depreciation	<u>(80,774,841)</u>	<u>(4,042,409)</u>	<u>355,788</u>	<u>(84,461,462)</u>
Total capital assets, being depreciated, net	<u>35,912,617</u>	<u>303,379</u>	<u>(58,964)</u>	<u>36,157,032</u>
Governmental activities capital assets, net	<u>\$ 42,384,530</u>	<u>\$ 813,797</u>	<u>\$ (58,964)</u>	<u>\$ 43,139,363</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 233,335	\$ --	\$ --	\$ 233,335
Construction in progress	248,562	836,556	--	1,085,118
Total capital assets, not being depreciated	<u>481,897</u>	<u>836,556</u>	<u>--</u>	<u>1,318,453</u>
Capital assets, being depreciated:				
Structures and improvements	1,908,034	--	--	1,908,034
Equipment	1,694,041	--	(25,917)	1,668,124
Total capital assets, being depreciated	<u>3,602,075</u>	<u>--</u>	<u>(25,917)</u>	<u>3,576,158</u>
Less accumulated depreciation for:				
Structures and improvements	(401,293)	(42,248)	--	(443,541)
Equipment	(1,519,513)	(119,111)	25,917	(1,612,707)
Total accumulated depreciation	<u>(1,920,806)</u>	<u>(161,359)</u>	<u>25,917</u>	<u>(2,056,248)</u>
Total capital assets, being depreciated, net	<u>1,681,269</u>	<u>(161,359)</u>	<u>--</u>	<u>1,519,910</u>
Business-type activities capital assets, net	<u>\$ 2,163,166</u>	<u>\$ 675,197</u>	<u>\$ --</u>	<u>\$ 2,838,363</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 5: **Capital Assets** (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 245,285
Public protection	2,461,541
Public ways and facilities	590,588
Health and sanitation	33,607
Education	129,952
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset	<u>581,436</u>
Total Depreciation Expense - Governmental Functions	<u><u>\$ 4,042,409</u></u>

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

Solid Waste	\$ 147,029
Airport	<u>14,330</u>
Total Depreciation Expense - Business-Type Functions	<u><u>\$ 161,359</u></u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 6: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Governmental Activities					
Capital leases payable	\$ 934,114	\$ --	\$ (417,552)	\$ 516,562	\$ 207,876
Compensated absences	3,309,697	661,939	(343,542)	3,628,094	725,618
Claims liability	1,365,729	209,109	(223,072)	1,351,766	1,351,766
Total Governmental Activities					
Long-term liabilities	<u>\$ 5,609,540</u>	<u>\$ 871,048</u>	<u>\$ (984,166)</u>	<u>\$ 5,496,422</u>	<u>\$ 2,285,260</u>
Business-type Activities					
Certificates of participation	\$ 3,925,000	\$ --	(155,000)	\$ 3,770,000	\$ 160,000
Less: unamortized discount	(97,674)	--	5,581	(92,093)	--
Loans payable	266,667	--	(33,333)	233,334	33,333
Compensated absences	48,177	9,635	(9,672)	48,140	9,628
Landfill postclosure cost	5,474,759	17,590	--	5,492,349	--
Total Business-type Activities					
Long-term liabilities	<u>\$ 9,616,929</u>	<u>\$ 27,225</u>	<u>\$ (192,424)</u>	<u>\$ 9,451,730</u>	<u>\$ 202,961</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, 2010, annual debt service requirements to maturity are as follows:

Year Ending June 30	Business-Type Activities			
	Loan Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2011	\$ 33,333	\$ --	\$ 160,000	\$ 190,415
2012	33,333	--	170,000	183,855
2013	33,333	--	175,000	176,630
2014	33,333	--	185,000	168,930
2015	33,333	--	190,000	160,512
2016-2020	66,669	--	1,115,000	647,588
2021-2025	--	--	1,440,000	322,351
2026-2030	--	--	335,000	17,587
	<u>\$ 233,334</u>	<u>\$ --</u>	<u>\$ 3,770,000</u>	<u>\$ 1,867,868</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 6: **Long-Term Liabilities** (continued)

Long-term liabilities at June 30, 2010, consisted of the following:

<u>Business-type activities</u>	<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, 2010</u>
2001 Series A Certificates of Participation (to finance closure of four County's landfills)	11/01	05/04 - 05/26	2.50 - 5.25%	\$130,000 - \$335,000	\$ 5,125,000	\$ 3,770,000
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>233,334</u>
Total business-type activities					<u>\$ 5,625,000</u>	<u>\$ 4,003,334</u>

Note 7: **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, 2010:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments as of June 30, 2010</u>
Building	5.15% – 6.07%	\$ 344,483
Various equipment and vehicles	4.95% – 7.94%	<u>172,079</u>
		<u>\$ 516,562</u>

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

Building	\$ 550,000
Various equipment and vehicles	1,037,569
Less: accumulated amortization	<u>(981,503)</u>
Total	<u>\$ 606,066</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 7: **Capital Leases** (continued)

As of June 30, 2010, future minimum lease payments under capital leases were as follows:

Year Ending <u>June 30:</u>	
2011	\$ 232,513
2012	53,082
2013	53,082
2014	53,082
2015	53,082
2016-2020	<u>159,246</u>
Total Future Minimum Lease Payments	604,087
Less: Interest	<u>(87,525)</u>
Present Value of Minimal Lease Payments	<u>\$ 516,562</u>

Note 8: **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 \$5,492,349 reported as closure and postclosure liability in the Enterprise Fund at June 30, 2010, represents the cumulative amount reported to date based on the following estimated percentages of capacity applied to the estimated closure and postclosure care costs:

Landfill Site	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, 2010	Landfill Closure and Postclosure Liability at June 30, 2010
Benton Crossing	\$3,006,744	\$1,730,564	\$ 4,737,308	2,301,600	1,286,515	1,015,085	44.10%	\$ 2,089,316
Pumice Valley	1,456,043	899,835	2,355,878	347,112	236,945	110,167	31.74%	747,713
Walker	744,603	726,135	1,470,738	340,716	277,560	63,156	18.54%	272,620
Benton*	--	834,300	834,300	--	--	--	--	834,300
Bridgeport*	--	935,200	935,200	--	--	--	--	935,200
Chalfant*	--	613,200	613,200	--	--	--	--	613,200
Total	<u>\$5,207,390</u>	<u>\$5,739,234</u>	<u>\$10,946,624</u>	<u>2,989,428</u>	<u>1,801,020</u>	<u>1,188,408</u>	<u>39.75%</u>	<u>\$ 5,492,349</u>

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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 8: **Closure and Postclosure Liability** (continued)

The County will recognize the remaining estimated cost of closure and postclosure care of \$5,454,275 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 2010.

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, 2010, cash and investments of \$2,513,946 were held as restricted cash for these purposes. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenues. The County has elected to utilize the Pledge of Revenue financial assurance mechanism.

Note 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 95814.

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 2009/2010 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.

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

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

C. Annual Pension Cost

For the fiscal year ended June 30, 2010, the County’s annual pension cost of \$4,375,624 for PERS was equal to the County’s required and actual contributions. The required contribution was determined as part of the June 30, 2007, 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 26 years remaining in the amortization period at June 30, 2007 (the valuation date) under the miscellaneous plan.

Three Year Trend Information for PERS

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
June 30, 2008	\$ 3,555,327	100%	\$ --
June 30, 2009	4,296,431	100%	--
June 30, 2010	4,375,624	100%	--

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

Plan Description

The County administers a postemployment healthcare plan, a multiple-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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

Plan Description (continued)

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.

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 pay-as-you-go financing requirements. For fiscal year 2009-10, the County contributed \$2,910,757, or 100%, of the actuarially required contributions, 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):

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

Annual OPEB Cost and Net OPEB Obligation (continued)

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>(2,910,757)</u>
Change in OPEB benefit	\$ (473,452)
Net OPEB asset - beginning of year	<u>(211,227)</u>
Net OPEB asset - end of year	<u><u>\$ (684,679)</u></u>

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 for fiscal year 2009-10 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/09	\$2,436,012	109%	\$211,227
6/30/10	\$2,437,305	119%	\$684,679

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>3,567,463</u>
Unfunded actuarial accrued liability (UAAL)	\$ 24,075,269
Funded ratio (actuarial value of plan assets/AAL)	12.91%
Covered payroll (active Plan members)	\$ n/a
UAAL as a percentage of covered payroll	n/a

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

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

Actuarial Methods and Assumptions

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

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

In the January 1, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return, an inflation rate of 3.25% per year, and assumed medical inflation of 9% graded down to 5% over 9 years. The OPEB plan's unfunded actuarial liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at June 30, 2010, was 28 years.

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 11: **Interfund Transactions**

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Airport	\$ 160,000	Vehicle purchases.
	Nonmajor Governmental Funds	369,602	Capital projects.
	Nonmajor Governmental Funds	123,000	Fish enhancement.
	Nonmajor Governmental Funds	65,080	Various.
	Road	4,000	Veterans signs.
	Road	125,000	Snowblowers.
	Road	<u>1,270,100</u>	Budget transfer.
		<u>2,116,782</u>	
Nonmajor Governmental Funds			Refund of excess construction in progress funding from capital projects fund.
	General Fund	272,415	
	General Fund	16,187	Various.
	Nonmajor Governmental Funds	<u>525,000</u>	Capital projects.
		<u>813,602</u>	
	Total	<u>\$ 2,930,384</u>	

The composition of interfund balances as of June 30, 2010, are as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bioterrorism Fund	\$ 792,620
	Nonmajor Governmental Funds	36,947
	Solid Waste Enterprise Fund	1,462,118
	Internal Service Funds	<u>17,884</u>
		<u>\$ 2,309,569</u>

The above balances reflect temporary loans to cover cash deficits.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 12: Net Assets/Fund Balances

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.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of June 30, 2010, reservations of fund balance are described below:

The term “reserved” is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The County’s management will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans.

Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

The County has “reserved” fund balances as follows:

- Reserve for Imprest Cash was created to represent the portion of the fund balance that is not available for expenditure because the County maintains various levels of revolving funds for daily operations.
- Reserve for Inventory was created to represent the portion of the fund balance that is not available for expenditure because the County expects to use these resources within the next budgetary period.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 12: **Net Assets/Fund Balances** (continued)

- Reserve for Encumbrances was created to represent encumbrances outstanding at the end of the fiscal year, based on purchase orders and contracts signed by the County but not completed as of the close of the fiscal year.
- Reserve for Loans and Advances was created to represent long-term receivables and interfund loans not available to finance current year expenditures.
- Reserve for Prepaids was created to reflect amounts paid in advance by the County for goods not yet received or services not yet performed.

Note 13: **Risk Management**

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

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

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2010

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

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 \$1,365,729 reported in the government-wide statements at June 30, 2010, 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, 2009 and 2010 were as follows:

<u>Fiscal Year Ended</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
2009	\$ 1,472,782	\$ 228,602	\$ 335,655	\$ 1,365,729
2010	1,365,729	209,109	223,072	1,351,766

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 14: **Joint Agencies**

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

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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2010

Note 15: **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 16: **Subsequent Events**

On September 16, 2010, as part of the budget approval process, the Board of Supervisors approved a loan to the Mono County Solid Waste Enterprise fund for \$1,200,000 from Mono County general reserves.

The loan is interest free with quarterly payments of \$30,000 over a ten year period. First payment is due on December 31, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MONO

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 22,182,333	\$ 22,182,333	\$ 23,952,729	\$ 1,770,396
Licenses and permits	608,394	608,394	557,598	(50,796)
Fines, forfeits and penalties	839,580	839,580	812,703	(26,877)
Revenue from use of money and property	345,961	345,961	201,633	(144,328)
Aid from other governments	12,199,476	12,611,333	12,206,806	(404,527)
Charges for services	3,207,347	3,207,347	3,367,515	160,168
Miscellaneous revenue	712,336	604,768	1,712,326	1,107,558
Total Revenues	<u>40,095,427</u>	<u>40,399,716</u>	<u>42,811,310</u>	<u>2,411,594</u>
Expenditures:				
Current:				
General government	9,795,023	9,340,804	7,789,627	1,551,177
Public protection	20,578,664	21,344,627	21,124,766	219,861
Public way and facilities	1,580,368	1,600,368	1,532,347	68,021
Health and sanitation	7,984,075	7,895,630	7,848,896	46,734
Public assistance	4,570,462	4,659,462	4,354,088	305,374
Education	37,362	37,362	48,485	(11,123)
Total Expenditures	<u>44,545,954</u>	<u>44,878,253</u>	<u>42,698,209</u>	<u>2,180,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,450,527)</u>	<u>(4,478,537)</u>	<u>113,101</u>	<u>4,591,638</u>
Other Financing Sources (Uses):				
Transfers in	2,421,325	2,417,367	288,602	(2,128,765)
Transfers out	<u>(3,619,160)</u>	<u>(3,959,035)</u>	<u>(2,116,782)</u>	<u>1,842,253</u>
Total Other Financing Sources (Uses)	<u>(1,197,835)</u>	<u>(1,541,668)</u>	<u>(1,828,180)</u>	<u>(286,512)</u>
Net Change in Fund Balances	(5,648,362)	(6,020,205)	(1,715,079)	4,305,126
Budgetary Fund Balances - Beginning of Year	<u>14,066,674</u>	<u>14,066,674</u>	<u>14,066,674</u>	<u>--</u>
Budgetary Fund Balances - End of Year	<u>\$ 8,418,312</u>	<u>\$ 8,046,469</u>	<u>\$ 12,351,595</u>	<u>\$ 4,305,126</u>

COUNTY OF MONO

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 5,670	\$ 670
Fines, forfeits and penalties	40,000	40,000	41,999	1,999
Revenue from use of money and property	--	--	25,422	25,422
Aid from other governments	4,650,600	4,650,600	4,682,964	32,364
Charges for services	1,125,000	1,125,000	894,467	(230,533)
Other revenues	5,000	5,000	7,463	2,463
Total Revenues	<u>5,825,600</u>	<u>5,825,600</u>	<u>5,657,985</u>	<u>(167,615)</u>
Expenditures:				
Current:				
Public way and facilities	7,051,600	7,256,600	7,298,166	(41,566)
Total Expenditures	<u>7,051,600</u>	<u>7,256,600</u>	<u>7,298,166</u>	<u>(41,566)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,226,000)</u>	<u>(1,431,000)</u>	<u>(1,640,181)</u>	<u>(209,181)</u>
Other Financing Sources (Uses):				
Transfers in	1,270,100	1,399,100	1,399,100	--
Total Other Financing Sources (Uses)	<u>1,270,100</u>	<u>1,399,100</u>	<u>1,399,100</u>	<u>--</u>
Net Change in Fund Balances	44,100	(31,900)	(241,081)	(209,181)
Fund Balances - Beginning of Year	<u>2,023,050</u>	<u>2,023,050</u>	<u>2,023,050</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 2,067,150</u>	<u>\$ 1,991,150</u>	<u>\$ 1,781,969</u>	<u>\$ (209,181)</u>

COUNTY OF MONO

Budgetary Comparison Schedule
 Bioterrorism Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Revenue from use of money and property	\$ (8,800)	\$ (8,800)	\$ (8,813)	\$ (13)
Aid from other governments	525,851	940,482	630,202	(310,280)
Total Revenues	<u>517,051</u>	<u>931,682</u>	<u>621,389</u>	<u>(310,293)</u>
Expenditures:				
Current:				
Public protection	281,397	696,028	919,326	(223,298)
Total Expenditures	<u>281,397</u>	<u>696,028</u>	<u>919,326</u>	<u>(223,298)</u>
Net Change in Fund Balances	235,654	235,654	(297,937)	(533,591)
Fund Balances - Beginning of Year	<u>(395,981)</u>	<u>(395,981)</u>	<u>(395,981)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (160,327)</u>	<u>\$ (160,327)</u>	<u>\$ (693,918)</u>	<u>\$ (533,591)</u>

COUNTY OF MONO

Required Supplementary Information For the Year Ended June 30, 2010

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>						
06/30/06	\$ 51,646	\$ 42,556	\$ 9,090	82.4%	\$ 10,742	84.6%
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%

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	10.03%	n/a	n/a
01/01/10	27,643	3,567	24,076	12.91%	n/a	n/a

COUNTY OF MONO

Note to Required Supplementary Information For the Year Ended June 30, 2010

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. The County does not adopt a budget for the Solid Waste Closure Fund.

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

Excess of Expenditures Over Appropriations

For the year ended June 30, 2010, expenditures exceeded appropriations in the following funds:

	<u>Excess Expenditures</u>
General Fund:	
Education	\$ 11,123
Road Fund	41,566
Bioterrorism Fund	223,298

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditures for particular purposes.

Capital Project Funds are used to account for the financial resources to be used for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

COUNTY OF MONO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue			
	Geothermal	Fish and Game	Tobacco	Well Abandonment
<u>Assets</u>				
Cash and investments	\$ --	\$ 21,370	\$ --	\$ 91,504
Accounts receivable	--	--	4,150	--
Prepays	--	--	--	--
	--	21,370	4,150	91,504
Total Assets	\$ --	\$ 21,370	\$ 4,150	\$ 91,504
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Salaries and benefits payable	\$ --	\$ --	\$ 15,297	\$ --
Due to other funds	1,600	--	35,347	--
Unearned revenue	--	--	--	--
	1,600	--	50,644	--
Total Liabilities	1,600	--	50,644	--
Fund Balance				
Reserved for prepaids	--	--	--	--
Unreserved:				
Undesignated	(1,600)	21,370	(46,494)	91,504
Total Fund Balances	(1,600)	21,370	(46,494)	91,504
Total Liabilities and Fund Balances	\$ --	\$ 21,370	\$ 4,150	\$ 91,504

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue			
	Emergency Medical Services	Major Thoroughfare	Mitigation Fee	County Service Areas
<u>Assets</u>				
Cash and investments	\$ 81,158	\$ 61,383	\$ 113,346	\$ 1,290,855
Accounts receivable	--	--	--	--
Prepays	--	--	--	--
	<u>81,158</u>	<u>61,383</u>	<u>113,346</u>	<u>1,290,855</u>
Total Assets	<u>\$ 81,158</u>	<u>\$ 61,383</u>	<u>\$ 113,346</u>	<u>\$ 1,290,855</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Salaries and benefits payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Unearned revenue	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance				
Reserved for prepaids	--	--	--	--
Unreserved:				
Undesignated	<u>81,158</u>	<u>61,383</u>	<u>113,346</u>	<u>1,290,855</u>
Total Fund Balances	<u>81,158</u>	<u>61,383</u>	<u>113,346</u>	<u>1,290,855</u>
Total Liabilities and Fund Balances	<u>\$ 81,158</u>	<u>\$ 61,383</u>	<u>\$ 113,346</u>	<u>\$ 1,290,855</u>

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue				Total Special Revenue
	June Lake Storm Drain	Developer Fees	Mental Health Services Act	Various Restricted Grant Funds	
<u>Assets</u>					
Cash and investments	\$ 81,078	\$ 1,522	\$ 1,190,412	\$ 661,202	\$ 3,593,830
Accounts receivable	--	--	--	25,024	29,174
Prepays	--	--	1,450	2,985	4,435
	<u>81,078</u>	<u>1,522</u>	<u>1,191,862</u>	<u>689,211</u>	<u>3,627,439</u>
Total Assets	\$ 81,078	\$ 1,522	\$ 1,191,862	\$ 689,211	\$ 3,627,439
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Salaries and benefits payable	\$ --	\$ --	\$ 45,055	\$ 22,861	\$ 83,213
Due to other funds	--	--	--	--	36,947
Unearned revenue	--	--	--	49,034	49,034
	<u>--</u>	<u>--</u>	<u>45,055</u>	<u>71,895</u>	<u>169,194</u>
Total Liabilities	--	--	45,055	71,895	169,194
Fund Balance					
Reserved for prepaids	--	--	1,450	2,985	4,435
Unreserved:					
Undesignated	81,078	1,522	1,145,357	614,331	3,453,810
	<u>81,078</u>	<u>1,522</u>	<u>1,146,807</u>	<u>617,316</u>	<u>3,458,245</u>
Total Fund Balances	81,078	1,522	1,146,807	617,316	3,458,245
Total Liabilities and Fund Balances	\$ 81,078	\$ 1,522	\$ 1,191,862	\$ 689,211	\$ 3,627,439

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2010

	Capital Projects				Total
	Miscellaneous Capital Improvements	County Parks	Impact Fees - Crowley Lake Area	Total Capital Projects	
<u>Assets</u>					
Cash and investments	\$ 721,850	\$ --	\$ 274,466	\$ 996,316	\$ 4,590,146
Accounts receivable	161,827	--	--	161,827	191,001
Prepays	--	--	--	--	4,435
Total Assets	\$ 883,677	\$ --	\$ 274,466	\$ 1,158,143	\$ 4,785,582
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Salaries and benefits payable	\$ --	\$ --	\$ --	\$ --	\$ 83,213
Due to other funds	--	--	--	--	36,947
Unearned revenue	--	--	--	--	49,034
Total Liabilities	--	--	--	--	169,194
<u>Fund Balance</u>					
Reserved for prepaids	--	--	--	--	4,435
Unreserved:					
Undesignated	883,677	--	274,466	1,158,143	4,611,953
Total Fund Balances	883,677	--	274,466	1,158,143	4,616,388
Total Liabilities and Fund Balances	\$ 883,677	\$ --	\$ 274,466	\$ 1,158,143	\$ 4,785,582

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue			
	Geothermal	Fish and Game	Tobacco	Well Abandonment
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	--	3,895	7,799	--
Use of money and property	--	663	(764)	2,907
Intergovernmental	17,375	--	159,907	--
Charges for services	--	--	--	--
Miscellaneous	1,000	--	--	--
Total Revenues	18,375	4,558	166,942	2,907
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	19,511	--	--
Public ways and facilities	37,250	--	--	--
Health and sanitation	--	--	234,574	90,853
Public assistance	--	--	--	--
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	37,250	19,511	234,574	90,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,875)	(14,953)	(67,632)	(87,946)
Other Financing Sources (Uses):				
Transfers in	--	--	65,080	123,000
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	--	--	65,080	123,000
Net Change in Fund Balances	(18,875)	(14,953)	(2,552)	35,054
Fund Balances - Beginning of Year	17,275	36,323	(43,942)	56,450
Fund Balances - End of Year	\$ (1,600)	\$ 21,370	\$ (46,494)	\$ 91,504

continued

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue			
	Emergency Medical Services	Major Thoroughfare	Mitigation Fee	County Service Areas
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 182,043
Fines, forfeitures and penalties	88,334	--	--	--
Use of money and property	1,516	1,611	2,976	34,398
Intergovernmental	--	--	--	--
Charges for services	--	--	--	18,287
Miscellaneous	--	--	--	6,560
Total Revenues	<u>89,850</u>	<u>1,611</u>	<u>2,976</u>	<u>241,288</u>
Expenditures:				
Current:				
General government	--	--	--	169,190
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	172,681	--	--	--
Public assistance	--	--	--	--
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>172,681</u>	<u>--</u>	<u>--</u>	<u>169,190</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(82,831)</u>	<u>1,611</u>	<u>2,976</u>	<u>72,098</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(82,831)	1,611	2,976	72,098
Fund Balances - Beginning of Year	<u>163,989</u>	<u>59,772</u>	<u>110,370</u>	<u>1,218,757</u>
Fund Balances - End of Year	<u>\$ 81,158</u>	<u>\$ 61,383</u>	<u>\$ 113,346</u>	<u>\$ 1,290,855</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, 2010

	Special Revenue				Total Special Revenue
	June Lake Storm Drain	Developer Fees	Mental Health Services Act	Various Restricted Grant Funds	
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 182,043
Fines, forfeitures and penalties	--	--	--	24,572	124,600
Use of money and property	2,129	--	47,735	25,476	118,647
Intergovernmental	--	--	1,771,403	1,292,991	3,241,676
Charges for services	--	--	--	--	18,287
Miscellaneous	--	--	2,375	8,940	18,875
Total Revenues	<u>2,129</u>	<u>--</u>	<u>1,821,513</u>	<u>1,351,979</u>	<u>3,704,128</u>
Expenditures:					
Current:					
General government	--	--	80	--	169,270
Public protection	--	--	--	1,173,742	1,193,253
Public ways and facilities	--	--	--	--	37,250
Health and sanitation	--	--	952,848	--	1,450,956
Public assistance	--	--	--	501,612	501,612
Recreation	--	--	--	52,137	52,137
Capital outlay	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>952,928</u>	<u>1,727,491</u>	<u>3,404,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,129</u>	<u>--</u>	<u>868,585</u>	<u>(375,512)</u>	<u>299,650</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	188,080
Transfers out	--	--	(525,000)	(16,187)	(541,187)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(525,000)</u>	<u>(16,187)</u>	<u>(353,107)</u>
Net Change in Fund Balances	2,129	--	343,585	(391,699)	(53,457)
Fund Balances - Beginning of Year	<u>78,949</u>	<u>1,522</u>	<u>803,222</u>	<u>1,009,015</u>	<u>3,511,702</u>
Fund Balances - End of Year	<u>\$ 81,078</u>	<u>\$ 1,522</u>	<u>\$ 1,146,807</u>	<u>\$ 617,316</u>	<u>\$ 3,458,245</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, 2010

	Capital Projects				Total
	Miscellaneous Capital Improvements	County Parks	Impact Fees - Crowley Lake Area	Total Capital Projects	
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 182,043
Fines, forfeitures and penalties	--	--	--	--	124,600
Use of money and property	--	--	6,741	6,741	125,388
Intergovernmental	826,181	--	--	826,181	4,067,857
Charges for services	--	--	--	--	18,287
Miscellaneous	465,215	--	29,115	494,330	513,205
Total Revenues	<u>1,291,396</u>	<u>--</u>	<u>35,856</u>	<u>1,327,252</u>	<u>5,031,380</u>
Expenditures:					
Current:					
General government	--	--	--	--	169,270
Public protection	--	--	--	--	1,193,253
Public ways and facilities	--	--	--	--	37,250
Health and sanitation	--	--	--	--	1,450,956
Public assistance	--	--	--	--	501,612
Recreation	--	--	--	--	52,137
Capital outlay	1,033,687	--	--	1,033,687	1,033,687
Total Expenditures	<u>1,033,687</u>	<u>--</u>	<u>--</u>	<u>1,033,687</u>	<u>4,438,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>257,709</u>	<u>--</u>	<u>35,856</u>	<u>293,565</u>	<u>593,215</u>
Other Financing Sources (Uses):					
Transfers in	894,602	--	--	894,602	1,082,682
Transfers out	(272,415)	--	--	(272,415)	(813,602)
Total Other Financing Sources (Uses)	<u>622,187</u>	<u>--</u>	<u>--</u>	<u>622,187</u>	<u>269,080</u>
Net Change in Fund Balances	879,896	--	35,856	915,752	862,295
Fund Balances - Beginning of Year	<u>3,781</u>	<u>--</u>	<u>238,610</u>	<u>242,391</u>	<u>3,754,093</u>
Fund Balances - End of Year	<u>\$ 883,677</u>	<u>\$ --</u>	<u>\$ 274,466</u>	<u>\$ 1,158,143</u>	<u>\$ 4,616,388</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, 2010

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Pooled cash and investments	<u>\$ 27,426</u>	<u>\$ 73,446</u>	<u>\$ 100,872</u>
Total Assets	<u>\$ 27,426</u>	<u>\$ 73,446</u>	<u>\$ 100,872</u>
<u>Net Assets</u>			
Unrestricted	<u>\$ 27,426</u>	<u>\$ 73,446</u>	<u>\$ 100,872</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
Operating Revenues:			
Charges for services	<u>\$ 25,930</u>	<u>\$ 3,192</u>	<u>\$ 29,122</u>
Total Operating Revenues	<u>25,930</u>	<u>3,192</u>	<u>29,122</u>
Operating Expenses:			
Services and supplies	<u>20,511</u>	<u>3,579</u>	<u>24,090</u>
Total Operating Expenses	<u>20,511</u>	<u>3,579</u>	<u>24,090</u>
Operating Income (Loss)	<u>5,419</u>	<u>(387)</u>	<u>5,032</u>
Non-Operating Revenues (Expenses):			
Interest income (expense)	<u>831</u>	<u>1,938</u>	<u>2,769</u>
Total Non-Operating Revenues	<u>831</u>	<u>1,938</u>	<u>2,769</u>
Change in Net Assets	6,250	1,551	7,801
Net Assets - Beginning of Year	<u>21,176</u>	<u>71,895</u>	<u>93,071</u>
Net Assets - End of Year	<u>\$ 27,426</u>	<u>\$ 73,446</u>	<u>\$ 100,872</u>

COUNTY OF MONO

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 25,930	\$ 3,192	\$ 29,122
Cash paid to suppliers for goods and services	(21,646)	(7,524)	(29,170)
Net Cash Provided (Used) by Operating Activities	4,284	(4,332)	(48)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	831	1,938	2,769
Net Cash Provided (Used) by Investing Activities	831	1,938	2,769
Net Increase (Decrease) in Cash and Cash Equivalents	5,115	(2,394)	2,721
Cash and Cash Equivalents, Beginning of Year	22,311	75,840	98,151
Cash and Cash Equivalents, End of Year	\$ 27,426	\$ 73,446	\$ 100,872
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 5,419	\$ (387)	\$ 5,032
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in:			
Payables	(1,135)	(3,945)	(5,080)
Net Cash Provided (Used) by Operating Activities	\$ 4,284	\$ (4,332)	\$ (48)

INTERNAL SERVICE FUNDS

COUNTY OF MONO

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2010

	Copier Pool	Motor Pool	Total
<u>Assets</u>			
Current Assets:			
Pooled cash and investments	\$ --	\$ 610,451	\$ 610,451
Total Current Assets	--	610,451	610,451
Noncurrent Assets:			
Capital assets:			
Depreciable, net	149,337	1,948,470	2,097,807
Total Noncurrent Assets	149,337	1,948,470	2,097,807
Total Assets	\$ 149,337	\$ 2,558,921	\$ 2,708,258
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	\$ 2,627	\$ --	\$ 2,627
Due to other funds	17,884	--	17,884
Total Liabilities	20,511	--	20,511
<u>Net Assets</u>			
Invested in capital assets	149,337	1,948,470	2,097,807
Unrestricted	(20,511)	610,451	589,940
Total Net Assets	128,826	2,558,921	2,687,747
Total Liabilities and Net Assets	\$ 149,337	\$ 2,558,921	\$ 2,708,258

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	Copier Pool	Motor Pool	Total
Operating Revenues:			
Charges for services	\$ 72,327	\$ 1,006,083	\$ 1,078,410
Total Operating Revenues	72,327	1,006,083	1,078,410
Operating Expenses:			
Services and supplies	92,404	248,558	340,962
Depreciation	45,251	536,185	581,436
Total Operating Expenses	137,655	784,743	922,398
Operating Income (Loss)	(65,328)	221,340	156,012
Non-Operating Revenues (Expenses):			
Interest income (expense)	(434)	16,474	16,040
Miscellaneous	--	14,138	14,138
Total Non-Operating Revenues	(434)	30,612	30,178
Income (Loss) Before Contributions	(65,762)	251,952	186,190
Capital contributions	194,588	--	194,588
Change in Net Assets	128,826	251,952	380,778
Net Assets - Beginning of Year	--	2,306,969	2,306,969
Net Assets - End of Year	\$ 128,826	\$ 2,558,921	\$ 2,687,747

COUNTY OF MONO

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Copier Pool	Motor Pool	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 72,327	\$ 1,006,083	\$ 1,078,410
Cash paid to suppliers for goods and services	(89,777)	(250,744)	(340,521)
Net Cash Provided (Used) by Operating Activities	(17,450)	755,339	737,889
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loans	17,884	--	17,884
Miscellaneous revenue	--	14,138	14,138
Net Cash Provided (Used) by Investing Activities	17,884	14,138	32,022
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	--	(532,894)	(532,894)
Sale of capital assets	--	18,642	18,642
Net Cash Provided (Used) by Capital and Related Financing Activities	--	(514,252)	(514,252)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	(434)	16,474	16,040
Net Cash Provided (Used) by Investing Activities	(434)	16,474	16,040
Net Increase (Decrease) in Cash and Cash Equivalents	--	271,699	271,699
Cash and Cash Equivalents, Beginning of Year	--	338,752	338,752
Cash and Cash Equivalents, End of Year	\$ --	\$ 610,451	\$ 610,451
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (65,328)	\$ 221,340	\$ 156,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	45,251	536,185	581,436
Changes in assets and liabilities:			
Increase (decrease) in:			
Payables	2,627	(2,186)	441
Net Cash Provided (Used) by Operating Activities	\$ (17,450)	\$ 755,339	\$ 737,889
Noncash Investing, Capital and Financing Activities:			
Transfer of capital assets from other funds	\$ 194,588	\$ --	\$ 194,588

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 Funds
June 30, 2010

	<u>Local Districts</u>	<u>School Funds</u>	<u>Total</u>
<u>Assets</u>			
Pooled cash and investments	<u>\$ 17,815,855</u>	<u>\$ 28,011,268</u>	<u>\$ 45,827,123</u>
Total Assets	<u><u>\$ 17,815,855</u></u>	<u><u>\$ 28,011,268</u></u>	<u><u>\$ 45,827,123</u></u>
<u>Net Assets</u>			
Net assets held in trust for investment pool participants	<u><u>\$ 17,815,855</u></u>	<u><u>\$ 28,011,268</u></u>	<u><u>\$ 45,827,123</u></u>

COUNTY OF MONO

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2010

	Local Districts	School Districts	Total
Additions			
Contributions	\$ 27,955,697	\$ 44,789,852	\$ 72,745,549
Revenue from use of money and property	273,599	854,487	1,128,086
Total Additions	28,229,296	45,644,339	73,873,635
Deductions:			
Distribution from pooled investment	18,062,819	44,960,777	63,023,596
Change in net assets	10,166,477	683,562	10,850,039
Beginning net assets held in trust for pool participants	7,649,378	27,327,706	34,977,084
Ending net assets held for pool participants	\$ 17,815,855	\$ 28,011,268	\$ 45,827,123

STATISTICAL SECTION (UNAUDITED)

COUNTY OF MONO

**Tax Levies and Collections
General Fund Secured Roll
1992-93 through 2009-10**

<u>Fiscal Year</u>	<u>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	16,514,331	16,124,835	97.64%	604,423	16,729,257	101.30%

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

COUNTY OF MONO

**Property Tax Value Allocation Collection
1992-93 through 2009-10
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	5,096,159,613	-8.25%	418,506,072	31.31%	5,514,665,685	-6.10%

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

<u>TAX AREAS 51-00 THRU 51-13/ 51-19 THRU 51-33</u>	<u>PERCENTAGE</u>
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.056973
ESUSD BOND Redemption	0.003027
TOTAL	<u>1.0600000</u>
<u>TAX AREAS: 51-14 THRU 51-18</u>	
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.056973
ESUSD BOND Redemption	0.003027
June Lake PUD Bond	0.009089
TOTAL	<u>1.0690889</u>
<u>TAX AREAS: 10-00, 10-02, 10-03,10-04, 10-06, 10-08, 10-11, 10-12</u>	
PROP 13 (1% Limit)	1.000000
Mammoth Unified Bond '98, '00 & '01	0.021639
Mammoth-Kern SFID	0.016348
Southern Mono Hospital Bond Redemption	0.008504
Southern Mono Hospital Bond Current	0.020577
TOTAL	<u>1.0670684</u>
<u>TAX AREAS: 10-01,10-05,10-07,10-09,10-10</u>	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.016348
Mammoth County Water Improv. Bond #2	0.007267
Southern Mono Hospital Bond Redemption	0.008504
Southern Mono Hospital Bond Current	0.020577
Mammoth Unified Bond '98, '00 & '01	0.021639
TOTAL	<u>1.0743350</u>
<u>TAX AREAS: 10-13, 59-00, 59-05, 59-07, 59-12</u>	
PROP 13 (1% Limit)	1.000000
Mammoth Unified Bond '98, '00 & '01	0.021639
Southern Mono Hospital Bond Redemption	0.008504
Southern Mono Hospital Bond Current	0.020577
TOTAL	<u>1.0507207</u>
<u>TAX AREAS: 60-00</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.039576
Bishop HS Bond (Determined by Inyo County)	0.012815
Southern Mono Hospital Bond Redemption	0.008504
Southern Mono Hospital Bond Current	0.020577
TOTAL	<u>1.0814723</u>
<u>TAX AREAS: 60-01 THRU 60-06</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.039576
Bishop HS Bond (Determined by Inyo County)	0.012815
TOTAL	<u>1.0523910</u>

COUNTY OF MONO
Distribution of Pooled Property Tax
1992-93 through 2009-10

<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	29.85%	4.37%	40.37%	25.42%	100.00%

COUNTY OF MONO
Tax Collections
1992-93 through 2009-10

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	

* *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
2009-10**

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

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, 2010

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:	County Sheriff/Jail	
	Number of Stations	3
	Number of Employees	48
County Employees:	Full-Time <i>(Includes Public Protection Employees)</i>	281
	Part-Time	34
	Total	315
	<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, 2010

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
	1991		***	10,243
	1992		***	10,403
	1993		***	10,365
	1994		***	11,179
	1995		***	10,745
	1996		***	10,550
	1997		***	10,410
	1998		***	10,022
	1999		***	10,223
	2000		***	10,293
	2001		***	12,799
<i>As of 1/1/**</i>	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

*** No Data Kept for these years