

COUNTY OF MONO
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2009

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
Bridgeport, California 93517
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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, 2009, 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 \$50,652,689 in 2008-09, a decrease of 2.5 percent from 2007-08. The amount of variance from the prior fiscal year is shown in the following tabulation. For fiscal year 2008-09 this variance is less than last year due to the slow down in development and growth in Mono County and the general economic down-turn.

Sources: FY 2008-09	Amount	Percent of Total	Increase (Decrease) from FY 2007-08
Taxes and assessments	23,248,237	45.90%	(1,073,409)
Licenses and permits	663,810	1.31%	189,800
Fines, forfeitures and penalties	1,044,720	2.06%	(176,051)
Use of money and property	698,071	1.38%	44,473
Intergovernmental	20,489,951	40.45%	94,744
Charges for current services	4,137,865	8.17%	8,163
Other revenue	370,035	0.73%	(149,596)
TOTAL	50,652,689	100.00%	(1,061,876)

Expenditures for all Governmental fund type functions totaled \$51,210,121 an increase of 6.03 percent over 2007-08. The amount of variance from the prior fiscal year is shown in the following tabulation. The highest single increase is in General Government. This can be accounted for by increases in salaries due to contractual obligations and increases in healthcare costs in addition to adding a few new positions.

Sources: FY 2008-09	Amount	Percent of Total	Increase (Decrease) from FY 2007-08
General Government	11,153,387	21.78%	2,084,616
Public Protection	16,481,958	32.18%	585,613
Public Ways and Facilities	6,250,787	12.21%	(459,936)
Health and Sanitation	9,731,794	19.00%	524,766
Public Assistance	4,093,568	7.99%	(6,560)
Education	36,363	0.07%	3,291
Recreation and Culture	1,147,067	2.24%	21,076
Capital Outlay	2,315,197	4.52%	160,480
TOTAL	<u>51,210,121</u>	<u>100.00%</u>	<u>2,913,346</u>

At June 30, 2009, the Governmental fund types unreserved fund balance of \$18,817,863 was composed of the following:

General Fund	\$ 13,791,554
Road Fund	1,668,197
Special Revenue	(395,981)
Other Governmental	3,754,093

In fiscal year 2007, the County transferred its designated reserves for future liabilities for retirees and mandatory employer costs into an external trust as required by GASB 45. The County has a two pronged method of maintaining these reserves. Each department is now charged directly for retiree costs. These accumulated dollars then are used to pay for current retiree costs in the first prong. In the second prong, the difference between Annual Required Contribution (ARC) and those current costs paid directly are transferred into the external trust. This fund is reflected as an asset as funds held by others, but is reserved and unavailable for general purposes.

Not included in these Governmental Fund type balances is \$42,384,530 of capital assets reported in governmental funds; and long-term liabilities, such as capital leases (\$934,114); compensated absences (\$3,309,697); and claims liability of (\$1,365,729), thus making the net assets \$58,050,303 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, 2009, the amount in the general fixed asset account group of the County was \$44,547,696. This amount represents the book value of the assets. Of this amount, \$6,953,810 is non-depreciable.

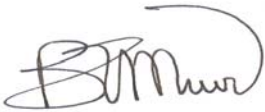
INDEPENDENT AUDIT

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

PROSPECTS FOR THE FUTURE

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 8th day of January, 2010,

A handwritten signature in black ink, appearing to read "B. Muir". The signature is fluid and cursive, with a large loop at the end.

BRIAN MUIR
DIRECTOR OF FINANCE
AUDITOR-CONTROLLER
COUNTY OF MONO

BM/rr

COUNTY OF MONO
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2009

<u>DEPARTMENT</u>	<u>DEPARTMENT OFFICIAL</u>
Assessor	Jody Henning
Board of Supervisors	
District #1	Tom Farnetti
District #2	Duane "Hap" Hazard
District #3	Vikki Magee-Bauer
District #4	William Reid, Chairman
District #5	Byng Hunt, Vice 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	Edward Forstenzer
Mental Health	Ann Gimpel
Probation	Beverlee Bryant
Public Health Director	Lynda Salcido
Public Works	Evan Nikirk
Sheriff-Coroner	Richard Scholl
Superintendent of Schools	Catherine Hiatt
Social Services	Edward Zylman

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, 2009, 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, 2009, 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 January 22, 2010, 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

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
January 22, 2010

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, 2009. 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 \$53,431,510 (net assets). Of this amount, \$255,651 is unrestricted for governmental activities and may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$2,832,526 from the June 30, 2008, report. This decrease is a result of a combination of factors, mainly decreases in property taxes. Overall assets, (less the capital assets) decreased 5.7% while at the same time liabilities increased 8.4%. These changes were primarily a result of decreased tax revenues, increases in state required landfill closure costs, and deferred revenues (revenues owed, but not received from the State.) and changing the classification and consolidating funds.
- As of June 30, 2009, the County's governmental funds reported combined ending fund balances of \$19,447,836, a decrease of \$1,268,943 in comparison with the prior year. This decrease resulted from a restatement of enterprise activity debt, and tax revenues falling short of expected.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$13,791,554, or 34% of total general fund expenditures, a 44% decrease from last year.
- Total long-term liabilities in the Solid Waste enterprise fund increased by \$1,514,412 during the current fiscal year. The key factor in this increase was the increased liability for closure/post closure costs, being offset by the repayment of notes payable and certificates of participation.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

A. New Financial Report Model

The County of Mono adopted a new financial reporting model in Fiscal Year 2002 that is designed to demonstrate government accountability by presenting both a long-term and a near-term view of its finances. This model is prescribed by Statement Number 34 of the Government Accounting Standard Board (GASB 34). This model 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

B. 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.

C. 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 Solid Waste Closure 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. 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 telephone services, fleet services, unemployment self-insurance, retirement, and dental/vision self-insurance. 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 three 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.

D. 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.

E. Required Supplementary Information

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

III. FINANCIAL ANALYSIS COUNTY-WIDE

The County has incorporated GASB Statement No. 34 into its financial records for several years now. The County made certain fund classification adjustments during this fiscal year. The result

COUNTY OF MONO

Management Discussion and Analysis

of these reclassifications lowered certain current assets. 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	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Current and other assets	\$ 26,239,050	\$ 26,230,211	\$ 3,359,608	\$ 5,156,326	\$ 29,598,658	\$ 31,386,537
Capital assets	42,384,530	41,334,934	2,163,166	2,660,948	44,547,696	43,995,882
Total assets	<u>\$ 68,623,580</u>	<u>\$ 67,565,145</u>	<u>\$ 5,522,774</u>	<u>\$ 7,817,274</u>	<u>\$ 74,146,354</u>	<u>\$ 75,382,419</u>
Current and other liabilities	\$ 4,963,737	\$ 5,014,654	\$ 524,638	\$ 102,918	\$ 5,488,375	\$ 5,117,572
Long-term liabilities	5,609,540	5,898,294	9,616,929	8,102,517	15,226,469	14,000,811
Total liabilities	<u>10,573,277</u>	<u>10,912,948</u>	<u>10,141,567</u>	<u>8,205,435</u>	<u>20,714,844</u>	<u>19,118,383</u>
Net assets:						
Invested in capital assets, net	41,450,416	39,993,052	1,896,499	2,360,948	43,346,915	42,354,000
Restricted net assets	5,897,027	3,710,942	3,931,917	4,468,355	9,828,944	8,179,297
Unrestricted net assets	<u>10,702,860</u>	<u>12,948,203</u>	<u>(10,447,209)</u>	<u>(7,217,464)</u>	<u>255,651</u>	<u>5,730,739</u>
Total net assets	<u>58,050,303</u>	<u>56,652,197</u>	<u>(4,618,793)</u>	<u>(388,161)</u>	<u>53,431,510</u>	<u>56,264,036</u>
Total Liabilities and Net Assets	<u>\$ 68,623,580</u>	<u>\$ 67,565,145</u>	<u>\$ 5,522,774</u>	<u>\$ 7,817,274</u>	<u>\$ 74,146,354</u>	<u>\$ 75,382,419</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 0.48% 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 18.44% to meet the County's ongoing obligations for governmental activities.

Beside the amount invested in capital assets, County governmental activities have no externally imposed constraints on the use of its net assets.

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	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Program Revenues:						
Fees, Fines & Charges for services	\$ 5,871,395	\$ 5,902,852	\$ 1,933,653	\$ 2,259,317	\$ 7,805,048	\$ 8,162,169
Operating Grants	17,929,709	20,415,810	78,865	42,347	18,008,574	20,458,157
Capital Grants	3,347,197	447,126	--	285,388	3,347,197	732,514
General Revenues:						
Property Taxes	19,903,428	20,791,208	--	--	19,903,428	20,791,208
Sales and Use taxes	487,632	516,356	--	--	487,632	516,356
Other Taxes	2,857,177	3,014,082	--	--	2,857,177	3,014,082
Other Revenue	358,491	399,699	--	42,988	358,491	442,687
Interest/investment earnings	716,452	654,723	129,333	192,671	845,785	847,394
Total Revenues:	<u>51,471,481</u>	<u>52,141,856</u>	<u>2,141,851</u>	<u>2,822,711</u>	<u>53,613,332</u>	<u>54,964,567</u>
Expenses:						
General Government	10,526,487	8,425,426	--	--	10,526,487	8,425,426
Public Protection	16,543,176	15,634,354	--	--	16,543,176	15,634,354
Public Ways and Facilities	8,054,553	9,506,978	--	--	8,054,553	9,506,978
Health and Sanitation	9,648,335	9,181,517	--	--	9,648,335	9,181,517
Public Assistance	4,117,869	3,689,946	--	--	4,117,869	3,689,946
Education	36,363	33,072	--	--	36,363	33,072
Culture and Recreation	1,283,205	741,657	--	--	1,283,205	741,657
Interest and Fiscal Charges	--	--	211,784	212,908	211,784	212,908
Solid Waste Landfill	--	--	5,613,341	2,812,372	5,613,341	2,812,372
Airport	--	--	51,582	34,982	51,582	34,982
Cemeteries	--	--	6,362	1,367	6,362	1,367
Campgrounds	--	--	19,118	18,394	19,118	18,394
Total Expenditures:	<u>50,209,988</u>	<u>47,212,950</u>	<u>5,902,187</u>	<u>3,080,023</u>	<u>56,112,175</u>	<u>50,292,973</u>
Change in Net Assets before Transfers	1,261,493	4,928,906	(3,760,336)	(257,312)	(2,498,843)	4,671,594
Transfers	136,613	(133,804)	(136,613)	133,804	--	--
Change in Net Assets	<u>1,398,106</u>	<u>4,795,102</u>	<u>(3,896,949)</u>	<u>(123,508)</u>	<u>(2,498,843)</u>	<u>4,671,594</u>
Net Assets, beginning	<u>56,652,197</u>	<u>51,857,095</u>	<u>(721,844)</u>	<u>(264,653)</u>	<u>55,930,353</u>	<u>51,592,442</u>
Net Assets, ending	<u>\$ 58,050,303</u>	<u>\$ 56,652,197</u>	<u>\$ (4,618,793)</u>	<u>\$ (388,161)</u>	<u>\$ 53,431,510</u>	<u>\$ 56,264,036</u>

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

- Capital assets for governmental activities increased by \$1,049,596 (2.5%) in fiscal year 2008-09 net of depreciation. Depreciation for 2008-09 was \$3,823,249 which was still greater than depreciable asset additions. 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, 2009, the County's governmental funds reported combined ending fund balances of \$19,447,836, a decrease of \$1,268,943 in comparison with the prior year. The decrease is partially comprised over-all expenditures exceeding over-all revenues. Approximately 97% of the total governmental fund balance (\$18,817,863) 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, 2009, unreserved fund balance of the general fund was \$13,791,554 while total fund balance reached \$14,066,674. As measures of the general fund's liquidity, it is useful to note that unreserved fund balance represents 34% percent of total fund expenditures, while total fund balance represents 35.1% percent of that same amount.

The Road fund had an unreserved fund balance of \$1,668,197, while the total fund balance reached \$2,023,050 this year. These increases over the prior year were caused by an infusion of General Fund dollars and a \$1.4 million dollar payment from the state for a completed state funded project.

The Bioterrorism fund is now considered a major fund. At June 30, 2009, the unreserved fund balance showed a deficit of \$395,981. 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 \$50,652,689 for fiscal year 2008-09, which represents a decrease of 2.5% from fiscal year 2007-08. A significant decrease, 4.41% (\$1,073,409), represents property tax revenues. Another significant decrease was 14.42% in fines, forfeitures and penalties.

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 2008-09		FY 2007-08		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 23,248,237	45.90%	\$ 24,321,646	47.03%	\$ (1,073,409)	-4.41%
Licenses and Permits	663,810	1.31%	474,010	0.92%	189,800	40.04%
Fines, Forfeitures & Penalties	1,044,720	2.06%	1,220,771	2.36%	(176,051)	-14.42%
Use of Money & Property	698,071	1.38%	653,598	1.26%	44,473	6.80%
Intergovernmental	20,489,951	40.45%	20,395,207	39.44%	94,744	0.46%
Charges for Services	4,137,865	8.17%	4,129,702	7.99%	8,163	0.20%
Other	370,035	0.73%	519,631	1.00%	(149,596)	-28.79%
Total	\$ 50,652,689	100.00%	\$ 51,714,565	100.00%	\$ (1,061,876)	-2.05%

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.
- 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.
- Use of money and property – Unfortunately, interest rates have not helped the County much this year; however, the County had increased their reserves which allowed a consistent growth in interest revenue in those reserves.

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 2008-09		FY 2007-08		Change	
	Amount	% of total	Amount	% of total	Amount	% of Change
General government	\$ 11,153,387	21.78%	\$ 9,068,771	18.78%	\$ 2,084,616	22.99%
Public protection	16,481,958	32.18%	15,896,345	32.91%	585,613	3.68%
Public ways and facilities	6,250,787	12.21%	6,710,723	13.89%	(459,936)	-6.85%
Health and sanitation	9,731,794	19.00%	9,207,028	19.06%	524,766	5.70%
Public assistance	4,093,568	7.99%	4,100,128	8.49%	(6,560)	-0.16%
Education	36,363	0.07%	33,072	0.07%	3,291	9.95%
Culture and recreation	1,147,067	2.24%	1,125,991	2.33%	21,076	1.87%
Capital outlay	2,315,197	4.52%	2,154,717	4.46%	160,480	7.45%
Total	<u>\$ 51,210,121</u>	<u>100.00%</u>	<u>\$ 48,296,775</u>	<u>100.00%</u>	<u>\$ 2,913,346</u>	<u>6.03%</u>

Significant changes for major functions are explained below.

- General government – \$2,084,616 increase in expenditures resulted mainly from the increase in salaries and health benefits. A majority of departments maintained status quo in expenditures except for these line items.
- Public Protection – \$585,613 increase in expenditures, like General government, resulted mainly from increases in salaries and health benefits.
- Public ways and facilities – Many road projects are grant funded. There was a 6.85% decrease resulting from a reduced level of funding and grant approvals from the state.
- Public assistance – FY 2008-09 saw a decrease in Public Assistance expenditures in the amount of \$459,936. Public assistance can fluctuate widely depending the need in any particular year. While there are normal salary and benefit increases as in all departments, the bulk of expenditures is 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; and one internal service fund which are presented in aggregate: Motor 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 fell short from budgetary estimates by \$2,099,715. Actual expenditures were less than budgetary estimates by \$4,837,162. The net effect of both under-realization of revenues and under-utilization of appropriations resulted in a unfavorable variance of \$2,737,447, but still leaving a positive budgetary fund balance going into FY 2009-10.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County's investment in capital assets for its governmental type activities as of June 30, 2009, amounts to \$42,384,530 (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 2.5%. 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 \$3,823,249.

Capital Assets (Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Land	\$ 5,589,952	\$ 5,589,952	\$ 233,335	\$ 233,335	\$ 5,823,287	\$ 5,823,287
Structures & improvements	11,332,515	7,307,469	1,506,741	1,549,750	12,839,256	8,857,219
Equipment	4,774,877	3,215,786	174,528	442,212	4,949,405	3,657,998
Infrastructure	19,805,225	22,243,014	--	--	19,805,225	22,243,014
Construction in progress	881,961	2,978,713	248,562	435,651	1,130,523	3,414,364
Total	<u>\$ 42,384,530</u>	<u>\$ 41,334,934</u>	<u>\$ 2,163,166</u>	<u>\$ 2,660,948</u>	<u>\$ 44,547,696</u>	<u>\$ 43,995,882</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, 2009, the County had total long-term liabilities outstanding of \$15,226,469 consisting primarily of \$934,114 in capitalized lease obligations, \$3,357,874 in compensated absences, \$3,925,000 in certificates of participation payable, and 5,474,759 in landfill post-closure costs. Additional information on the County's long-term liabilities can be found in Note 6 of the financial statements.

COUNTY OF MONO

Management Discussion and Analysis

I. Economic Factors and 2009-10 Budget and Rates

- The unemployment rate for Mono County is currently 7.4 percent. This rate was not adjusted for seasonal employment. This compares favorably to the state's average unemployment rate of 11.6 percent in June 2009 and the United States unemployment rate, also at 10.0 percent.
- Property tax values is expected to decline in 2009-10 for the first time since 1978; while there is still some construction happening, it is just the conclusion of prior starts and few if any new starts.
- 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 to decline based upon the overall economy.
- The 2009-10 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.

These factors plus others were considered in preparing the County's budget for the 2009-10 fiscal year.

During the current fiscal year, the unreserved governmental activities monies decreased to \$7,000,353. Even though the County placed money into reserves during 2008-09, it expects to use \$1.3 million from reserves during 2009-10 fiscal year. \$550,000 is scheduled for contingencies in 2009-10, and conservatism is urged not only for the up-coming fiscal year, but for future years as well.

II. 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, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 14,937,016	\$ 232,545	\$ 15,169,561
Cash with fiscal agent	119,209	617,646	736,855
Restricted cash	--	3,314,271	3,314,271
Accounts receivable	1,027,169	210,990	1,238,159
Due from other governments	3,703,879	2,020	3,705,899
Taxes receivable	900,537	--	900,537
Deposits with others	3,549,956	--	3,549,956
Other asset - OPEB	211,227	--	211,227
Prepaid expenses	140,678	--	140,678
Inventories	356,119	2,112	358,231
Loan receivable	273,284	--	273,284
Internal balances	1,019,976	(1,019,976)	--
Capital assets:			
Nondepreciable	6,471,913	481,897	6,953,810
Depreciable, net	35,912,617	1,681,269	37,593,886
Total Assets	\$ 68,623,580	\$ 5,522,774	\$ 74,146,354
<u>LIABILITIES</u>			
Accounts payable	\$ 850,654	\$ 426,568	\$ 1,277,222
Salaries and benefits payable	2,685,374	65,301	2,750,675
Interest payable	--	32,769	32,769
Unearned revenue	1,427,709	--	1,427,709
Long-Term Liabilities:			
Portion due or payable within one year:			
Certificates of participation, net of amortized discount	--	155,000	155,000
Capital leases	372,623	--	372,623
Loan payable	--	33,333	33,333
Liability for compensated absences	661,939	9,635	671,574
Claims liability	1,365,729	--	1,365,729
Portion due or payable after one year:			
Certificates of participation, net of amortized discount	--	3,672,326	3,672,326
Capital leases	561,491	--	561,491
Loan payable	--	233,334	233,334
Liability for compensated absences	2,647,758	38,542	2,686,300
Closure/post-closure liability	--	5,474,759	5,474,759
Total Liabilities	10,573,277	10,141,567	20,714,844
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	41,450,416	1,896,499	43,346,915
Restricted for:			
Legally segregated taxes, grants and fees	242,391	--	242,391
Debt service and capital projects	5,654,636	617,646	6,272,282
Closure and postclosure costs	--	3,314,271	3,314,271
Unrestricted	10,702,860	(10,447,209)	255,651
Total Net Assets	58,050,303	(4,618,793)	53,431,510
Total Liabilities and Net Assets	\$ 68,623,580	\$ 5,522,774	\$ 74,146,354

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

COUNTY OF MONO

Statement of Activities For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			
Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:				
Governmental Activities:				
General government	\$ 10,526,487	\$ 3,485,998	\$ 1,173,832	\$ --
Public protection	16,543,176	149,021	5,045,174	96,011
Public ways and facilities	8,054,553	1,391,497	1,665,109	2,861,186
Health and sanitation	9,648,335	837,916	9,143,443	--
Public assistance	4,117,869	--	900,480	--
Education	36,363	--	1,671	--
Recreation and culture	1,283,205	6,963	--	390,000
Total Governmental Activities	50,209,988	5,871,395	17,929,709	3,347,197
Business-Type Activities:				
Solid Waste	5,825,125	1,896,137	12,020	--
Airport	51,582	8,823	66,845	--
Cemeteries	6,362	1,818	--	--
Campgrounds	19,118	26,875	--	--
Total Business-type Activities	5,902,187	1,933,653	78,865	--
Total Mono County	\$ 56,112,175	\$ 7,805,048	\$ 18,008,574	\$ 3,347,197

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, as restated

Net Assets - End of Year

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

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (5,866,657)	\$ --	\$ (5,866,657)
(11,252,970)	--	(11,252,970)
(2,136,761)	--	(2,136,761)
333,024	--	333,024
(3,217,389)	--	(3,217,389)
(34,692)	--	(34,692)
(886,242)	--	(886,242)
<u>(23,061,687)</u>	<u>--</u>	<u>(23,061,687)</u>
--	(3,916,968)	(3,916,968)
--	24,086	24,086
--	(4,544)	(4,544)
--	7,757	7,757
<u>--</u>	<u>(3,889,669)</u>	<u>(3,889,669)</u>
<u>(23,061,687)</u>	<u>(3,889,669)</u>	<u>(26,951,356)</u>
19,903,428	--	19,903,428
487,632	--	487,632
2,512,776	--	2,512,776
344,401	--	344,401
716,452	129,333	845,785
358,491	--	358,491
136,613	(136,613)	--
<u>24,459,793</u>	<u>(7,280)</u>	<u>24,452,513</u>
1,398,106	(3,896,949)	(2,498,843)
<u>56,652,197</u>	<u>(721,844)</u>	<u>55,930,353</u>
<u>\$ 58,050,303</u>	<u>\$ (4,618,793)</u>	<u>\$ 53,431,510</u>

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

COUNTY OF MONO

Balance Sheet Governmental Funds June 30, 2009

	General	Road	Bio Terrorism	Other Governmental	Total
<u>Assets</u>					
Cash and investments	\$ 10,226,094	\$ 501,061	\$ --	\$ 3,871,109	\$ 14,598,264
Cash with fiscal agent	119,209	--	--	--	119,209
Accounts receivable	871,020	3,188	--	152,961	1,027,169
Due from other governments	1,436,813	1,611,159	584,419	71,488	3,703,879
Taxes receivable	900,537	--	--	--	900,537
Deposits with others	3,549,956	--	--	--	3,549,956
Prepays	137,750	--	--	2,928	140,678
Inventories	1,266	354,853	--	--	356,119
Due from other funds	1,692,088	--	--	--	1,692,088
Loans receivable	273,284	--	--	--	273,284
Total Assets	<u>\$ 19,208,017</u>	<u>\$ 2,470,261</u>	<u>\$ 584,419</u>	<u>\$ 4,098,486</u>	<u>\$ 26,361,183</u>
<u>Liabilities</u>					
Accounts payable	\$ 481,569	\$ 219,557	\$ 55,315	\$ 92,027	\$ 848,468
Salaries and benefits payable	2,322,148	227,654	19,459	116,113	2,685,374
Due to other funds	--	--	550,738	121,374	672,112
Unearned revenue	1,424,953	--	--	2,756	1,427,709
Deferred revenue	912,673	--	354,888	12,123	1,279,684
Total Liabilities	<u>5,141,343</u>	<u>447,211</u>	<u>980,400</u>	<u>344,393</u>	<u>6,913,347</u>
<u>Fund Balances</u>					
Reserved:					
Imprest cash	570	--	--	--	570
Inventory	1,266	354,853	--	--	356,119
Loans receivable	273,284	--	--	--	273,284
Unreserved:					
Undesignated, reported in:					
General fund	13,791,554	--	--	--	13,791,554
Special revenue funds	--	1,668,197	(395,981)	3,511,702	4,783,918
Capital projects funds	--	--	--	242,391	242,391
Total Fund Balances	<u>14,066,674</u>	<u>2,023,050</u>	<u>(395,981)</u>	<u>3,754,093</u>	<u>19,447,836</u>
Total Liabilities and Fund Balances	<u>\$ 19,208,017</u>	<u>\$ 2,470,261</u>	<u>\$ 584,419</u>	<u>\$ 4,098,486</u>	<u>\$ 26,361,183</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, 2009

Fund Balance - total governmental funds (page 20)	\$ 19,447,836
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	211,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	40,414,127
Deferred revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the government funds.	
	1,279,684
Internal service funds are used by the County to charge the cost of unemployment insurance, dental insurance, fleet services and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
	2,306,969
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	(934,114)
Claims liability	(1,365,729)
Compensated absences	<u>(3,309,697)</u>
Net assets of governmental activities (page 18)	<u>\$ 58,050,303</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, 2009

	General	Road	Bio Terrorism	Other Governmental	Total
Revenues:					
Taxes	\$ 23,123,445	\$ --	\$ --	\$ 124,792	\$ 23,248,237
Licenses and permits	660,510	3,300	--	--	663,810
Fines, forfeitures and penalties	806,562	48,654	--	189,504	1,044,720
Use of money and property	585,880	(11,093)	(16,291)	139,575	698,071
Intergovernmental	11,608,476	4,395,068	771,851	3,714,556	20,489,951
Charges for services	2,803,036	1,306,829	--	28,000	4,137,865
Other revenues	205,913	(485)	5,000	159,607	370,035
Total Revenues	<u>39,793,822</u>	<u>5,742,273</u>	<u>760,560</u>	<u>4,356,034</u>	<u>50,652,689</u>
Expenditures:					
Current:					
General government	11,071,184	--	--	82,203	11,153,387
Public protection	14,539,307	--	573,723	1,368,928	16,481,958
Public ways and facilities	935,370	5,263,932	--	51,485	6,250,787
Health and sanitation	8,357,961	--	--	1,373,833	9,731,794
Public assistance	3,993,436	--	--	100,132	4,093,568
Education	36,363	--	--	--	36,363
Recreation and culture	1,129,196	--	--	17,871	1,147,067
Capital outlay	--	--	--	2,315,197	2,315,197
Total Expenditures	<u>40,062,817</u>	<u>5,263,932</u>	<u>573,723</u>	<u>5,309,649</u>	<u>51,210,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(268,995)</u>	<u>478,341</u>	<u>186,837</u>	<u>(953,615)</u>	<u>(557,432)</u>
Other Financing Sources (Uses):					
Transfers in	1,056,066	1,784,525	--	3,228,088	6,068,679
Transfers out	(4,740,343)	(163,000)	--	(1,876,847)	(6,780,190)
Total Other Financing Sources (Uses)	<u>(3,684,277)</u>	<u>1,621,525</u>	<u>--</u>	<u>1,351,241</u>	<u>(711,511)</u>
Net Changes in Fund Balances	(3,953,272)	2,099,866	186,837	397,626	(1,268,943)
Fund Balances, Beginning of Year	<u>18,019,946</u>	<u>(76,816)</u>	<u>(582,818)</u>	<u>3,356,467</u>	<u>20,716,779</u>
Fund Balances, End 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>

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, 2009

Net change to fund balance - total governmental funds (page 22)		\$ (1,268,943)
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	\$ 2,888,037	
Less: current year depreciation	<u>(3,401,076)</u>	(513,039)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		811,955
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in compensated absences		(226,067)
Change in claims liability		107,053
<p>Other post employment benefits are reported as an expense when contributions are made in the governmental funds, but are deferred assets for contributions made in excess of required amounts.</p>		
		211,227
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.</p>		
		<u>2,275,920</u>
Change in net assets of governmental activities (page 19)		<u><u>\$ 1,398,106</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, 2009

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<u>ASSETS</u>				
Current Assets:				
Cash and investments	\$ 250	\$ 232,295	\$ 232,545	\$ 338,752
Cash with fiscal agent	617,646	--	617,646	--
Accounts receivable	167,873	43,117	210,990	--
Due from other governments	2,020	--	2,020	--
Inventory	--	2,112	2,112	--
Total Current Assets	<u>787,789</u>	<u>277,524</u>	<u>1,065,313</u>	<u>338,752</u>
Noncurrent Assets:				
Restricted cash in Treasury	3,314,271	--	3,314,271	--
Capital assets:				
Non-depreciable	--	481,897	481,897	--
Depreciable, net	1,069,629	611,640	1,681,269	1,970,403
Total Noncurrent Assets	<u>4,383,900</u>	<u>1,093,537</u>	<u>5,477,437</u>	<u>1,970,403</u>
Total Assets	<u>\$ 5,171,689</u>	<u>\$ 1,371,061</u>	<u>\$ 6,542,750</u>	<u>\$ 2,309,155</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	414,409	12,159	426,568	2,186
Salaries and benefits payable	65,301	--	65,301	--
Interest payable	32,769	--	32,769	--
Due to other funds	1,019,976	--	1,019,976	--
Certificates of participation	155,000	--	155,000	--
Loan payable	33,333	--	33,333	--
Liability for compensated absences	9,635	--	9,635	--
Total Current Liabilities	<u>1,730,423</u>	<u>12,159</u>	<u>1,742,582</u>	<u>2,186</u>
Noncurrent Liabilities:				
Certificates of participation, net of unamortized discount	3,672,326	--	3,672,326	--
Loan payable	233,334	--	233,334	--
Liability for compensated absences	38,542	--	38,542	--
Closure and postclosure liability	5,474,759	--	5,474,759	--
Total Noncurrent Liabilities	<u>9,418,961</u>	<u>--</u>	<u>9,418,961</u>	<u>--</u>
Total Liabilities	<u>11,149,384</u>	<u>12,159</u>	<u>11,161,543</u>	<u>2,186</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	802,962	1,093,537	1,896,499	1,970,403
Restricted for debt service and capital projects	617,646	--	617,646	--
Unrestricted	<u>(7,398,303)</u>	<u>265,365</u>	<u>(7,132,938)</u>	<u>336,566</u>
Total Net Assets	<u>(5,977,695)</u>	<u>1,358,902</u>	<u>(4,618,793)</u>	<u>2,306,969</u>
Total Liabilities and Net Assets	<u>\$ 5,171,689</u>	<u>\$ 1,371,061</u>	<u>\$ 6,542,750</u>	<u>\$ 2,309,155</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, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 1,896,137	\$ 37,516	\$ 1,933,653	\$ 597,479
Total Operating Revenues	<u>1,896,137</u>	<u>37,516</u>	<u>1,933,653</u>	<u>597,479</u>
Operating Expenses:				
Salaries and benefits	762,857	--	762,857	--
Services and supplies	2,953,902	62,732	3,016,634	265,231
Closure and postclosure costs	1,686,832	--	1,686,832	--
Depreciation and amortization	209,750	14,330	224,080	422,173
Total Operating Expenses	<u>5,613,341</u>	<u>77,062</u>	<u>5,690,403</u>	<u>687,404</u>
Operating Income (Loss)	<u>(3,717,204)</u>	<u>(39,546)</u>	<u>(3,756,750)</u>	<u>(89,925)</u>
Non-Operating Revenue (Expenses):				
Interest income	126,782	2,551	129,333	18,381
Interest expense	(211,784)	--	(211,784)	--
Operating grants	12,020	66,845	78,865	--
Miscellaneous	--	--	--	(3,661)
Total Non-Operating Revenue (Expenses)	<u>(72,982)</u>	<u>69,396</u>	<u>(3,586)</u>	<u>14,720</u>
Income (Loss) Before Transfers and Contributions	(3,790,186)	29,850	(3,760,336)	(75,205)
Capital contributions	--	--	--	1,503,001
Transfers in	--	--	--	848,124
Transfers out	<u>(136,613)</u>	<u>--</u>	<u>(136,613)</u>	<u>--</u>
Change in Net Assets	(3,926,799)	29,850	(3,896,949)	2,275,920
Net Assets - Beginning of Year, as restated	<u>(2,050,896)</u>	<u>1,329,052</u>	<u>(721,844)</u>	<u>31,049</u>
Net Assets - End of Year	<u>\$ (5,977,695)</u>	<u>\$ 1,358,902</u>	<u>\$ (4,618,793)</u>	<u>\$ 2,306,969</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, 2009

	Business-Type Activities - Enterprise Funds			Governmental
	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 1,925,876	\$ (5,601)	\$ 1,920,275	\$ --
Cash receipts from internal fund services provided	--	--	--	597,479
Cash paid to suppliers for goods and services	(2,548,314)	(52,593)	(2,600,907)	(263,045)
Cash paid to employees for services	(750,532)	--	(750,532)	--
Net Cash Provided (Used) by Operating Activities	(1,372,970)	(58,194)	(1,431,164)	334,434
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in (out)	(50,000)	--	(50,000)	761,511
Interfund loans	1,019,976	(201,057)	818,919	--
Operating grants	12,020	66,845	78,865	--
Principal repayments	(183,333)	--	(183,333)	--
Interest payments	(207,203)	--	(207,203)	--
Net Cash Provided (Used) by Noncapital Financing Activities	591,460	(134,212)	457,248	761,511
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	--	480,972	480,972	--
Purchase of capital assets	--	(146,594)	(146,594)	(806,623)
Net Cash Provided (Used) by Capital and Related Financing Activities	--	334,378	334,378	(806,623)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	126,782	2,551	129,333	18,381
Net Cash Provided (Used) by Investing Activities	126,782	2,551	129,333	18,381
Net Increase (Decrease) in Cash and Cash Equivalents	(654,728)	144,523	(510,205)	307,703
Cash and Cash Equivalents, Beginning of Year	4,586,895	87,772	4,674,667	31,049
Cash and Cash Equivalents, End of Year	<u>\$ 3,932,167</u>	<u>\$ 232,295</u>	<u>\$ 4,164,462</u>	<u>\$ 338,752</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Assets				
Cash and investments	\$ 250	\$ 232,295	\$ 232,545	\$ 338,752
Cash with fiscal agent	617,646	--	617,646	--
Restricted cash in Treasury	3,314,271	--	3,314,271	--
Total Cash and Cash Equivalents	<u>\$ 3,932,167</u>	<u>\$ 232,295</u>	<u>\$ 4,164,462</u>	<u>\$ 338,752</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, 2009

	Business-Type Activities - Enterprise Funds			Governmental
	Nonmajor		Total	Internal
	Solid Waste	Enterprise Funds	Enterprise Funds	Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (3,717,204)	\$ (39,546)	\$ (3,756,750)	\$ (89,925)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	209,750	14,330	224,080	422,173
Changes in assets and liabilities:				
(Increase) decrease in:				
Receivables	29,739	(43,117)	(13,378)	--
Increase (decrease) in:				
Accounts payable	405,588	10,139	415,727	2,186
Accrued salaries and benefits	6,993	--	6,993	--
Closure and postclosure liability	1,686,832	--	1,686,832	--
Liability for compensated absences	5,332	--	5,332	--
	<u>\$ (1,372,970)</u>	<u>\$ (58,194)</u>	<u>\$ (1,431,164)</u>	<u>\$ 334,434</u>
Net Cash Provided (Used) by Operating Activities				
Noncash Investing, Capital and Financing Activities:				
Transfer of capital assets from other funds	<u> --</u>	<u> --</u>	<u> --</u>	<u>\$ 1,639,614</u>

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

COUNTY OF MONO

Statement of Fiduciary Net Assets
June 30, 2009

	Investment Trust Fund	Agency Funds	Postemployment Healthcare Trust Fund	Total
<u>Assets</u>				
Pooled cash and investments	\$ 34,977,084	\$ 4,438,713	\$ --	\$ 39,415,797
Cash with fiscal agent	--	--	3,152,412	3,152,412
Total Assets	\$ 34,977,084	\$ 4,438,713	\$ 3,152,412	\$ 42,568,209
<u>Liabilities</u>				
Agency funds held for others	\$ --	\$ 4,438,713	\$ --	\$ 4,438,713
Total Liabilities	--	4,438,713	--	4,438,713
<u>Net assets</u>				
Net assets held in trust for investment pool participants	34,977,084	--	--	34,977,084
Net assets held in trust for postemployment healthcare benefits	--	--	3,152,412	3,152,412
Total Net Assets	\$ 34,977,084	\$ --	\$ 3,152,412	\$ 38,129,496

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, 2009

<u>Additions</u>	Investment Trust Fund	Postemployment Healthcare Trust Fund
	Fund	Trust Fund
Contributions to pooled investments	\$ 62,380,410	\$ --
Employer contributions	--	900,000
Net investment income:		
Investment income	1,424,592	--
Unrealized investment loss	--	(415,872)
Total Additions	63,805,002	484,128
<u>Deductions</u>		
Distributions from pooled investments	55,238,735	--
Administrative expenses	--	5,667
Total Deductions	55,238,735	5,667
Change in net assets	8,566,267	478,461
Net Assets - Beginning of Year	26,410,817	2,673,951
Net Assets - End of Year	\$ 34,977,084	\$ 3,152,412

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, 2009

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, 2009

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, 2009

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 fund:

- 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 County reports the following additional fund types:

- *Internal Service Funds* account for the County's wellness programs 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.
- The *Postemployment Healthcare Trust Fund* accounts for assets held by the County to fund postemployment healthcare costs.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

C. Basis of Accounting

The government-wide, proprietary, agency and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 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 financial 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, 2009

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

D. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 45

For the fiscal year ended June 30, 2009, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* This statement is effective for the County for fiscal periods beginning after December 15, 2007.

This statement requires that governments account for, and report, the annual cost of other postemployment benefits (OPEB) and the outstanding obligation and commitments related to OPEB in the same manner as they currently do for pensions. The statement does not require that governments fund their OPEB plans, only that they account for them and report them. OPEB generally consist of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including their beneficiaries in some cases.

Implementation of GASB Statement No. 45 primarily impacted the County's government-wide and proprietary funds financial statements for the year ended June 30, 2009. In addition, implementation required additional note disclosure and required supplemental information.

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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

F. **Cash and Investments** (continued)

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.

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 government 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

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

J. **Capital Assets** (continued)

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

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, 2009

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, 2009

Note 2: **Restatements of Fund Balance/Net Assets**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net assets or fund balances in the government-wide and fund statements.

The County reduced the beginning balance of the Solid Waste enterprise fund by \$333,683, to remove construction in progress previously accounted for in the estimate of the landfill closure costs

Note 3: **Deficit Fund Balance/Retained Earnings**

The following funds had deficit fund balances/net assets at June 30, 2009, as follows:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds:	
Tobacco	\$ 43,942
Bio Terrorism	395,981
Enterprise Funds:	
Solid Waste	5,977,695

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

Note 4: **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.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

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.

At June 30, 2009, total County cash and investments were as follows:

Cash on hand	\$ 74,169
Imprest cash	870
Deposits in bank	<u>(15,281)</u>
Total	<u>59,758</u>
Investments:	
In Treasurer's pool	57,839,871
With fiscal agents external to the pool	<u>3,889,267</u>
	<u>61,729,138</u>
Total Cash and Investments	<u><u>\$ 61,788,896</u></u>

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

Governmental activities	\$ 15,056,225
Business-type activities	4,164,462
Investment trust fund	34,977,084
Agency funds	4,438,713
Postemployment healthcare trust fund	<u>3,152,412</u>
Total	<u><u>\$ 61,788,896</u></u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

Investments

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Federal Agency Obligations	5 years	None	None
U.S. Treasury Bills	5 years	None	None
Local Agency Bonds and Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper - Selected Agencies	270 days	40%	10%
Commercial Paper - Other Agencies	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	5 years	N/A	N/A
California Asset Management Program	N/A	None	None

At June 30, 2009, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Cost</u>	<u>Fair Value</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
Federal Agency Issues - Coupon	3.1% - 5.2%	03/29/10 - 03/15/14	\$ 33,000,000	\$ 33,212,345	\$ 33,572,750	2.37
Medium Term Corporate Bonds	4.4% - 5.0%	10/27/09 - 12/01/10	10,000,000	10,051,038	10,176,000	0.88
LAIF	Variable	On Demand	14,576,488	14,576,488	14,595,506	0.00
Total investments in investment pool			\$ 57,576,488	\$ 57,839,871	\$ 58,344,256	1.52
Investments outside Investment Pool						
<i>Primary Government:</i>						
<i>Cash held with fiscal agent</i>						
Money Market Mutual Funds	Variable	On Demand	\$ 736,855	\$ 736,855	\$ 736,855	
<i>Postemployment Healthcare Trust Fund:</i>						
<i>Cash held with fiscal agent</i>						
Equity Mutual Funds	Variable	On Demand	\$ 2,106,442	\$ 2,106,442	\$ 2,106,442	
Money Market Mutual Funds	Variable	On Demand	1,045,970	1,045,970	1,045,970	
			\$ 3,152,412	\$ 3,152,412	\$ 3,152,412	

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

Investments (continued)

The fair value of the investments is obtained by the County's safekeeping agent. At June 30, 2009, the difference between the cost and fair value of cash and investments was not material (fair value was 100.1% 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, 2009.

	<u>S&P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Government Agencies	AAA	Aaa	57.32%
Corporate Notes - 36962GZ31	AAA	Aaa	8.68%
Corporate Notes - 36962G2S2	AAA	Aaa	8.68%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	25.32%
Total			<u>100.00%</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

Concentration of Credit Risk (continued)

At June 30, 2009, the County had the following investments in any one issuer that represent 5 percent or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Federal Home Loan Bank	34.82%	\$ 20,337,567
Federal Farm Credit Bank	8.74%	5,103,750
Federal Home Loan Mortgage Corporation	13.92%	8,129,938
General Electric Company	17.56%	10,258,782

Custodial Credit Risk

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

Local Agency Investment Fund

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

At June 30, 2009, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$14,576,488, 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 \$50.7 million. Of that amount, 14.71% was invested in structured notes and asset-backed securities, and the remaining 85.29% was invested in other non-derivative financial products.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2009:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 57,898,759</u>
Equity of external pool participants	\$ 34,977,084
Equity of internal pool participants	<u>22,921,675</u>
Total net assets	<u>\$ 57,898,759</u>

Statement of Changes in Net Assets

Net assets at July 1, 2008	49,839,915
Net change in investments by pool participants	8,058,844
Net assets at June 30, 2009	<u>\$ 57,898,759</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Restated ¹ Balance July 1, 2008	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2009
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 5,589,952	\$ --	\$ --	\$ --	\$ 5,589,952
Construction in progress	2,978,713	2,420,550	--	(4,517,302)	881,961
Total capital assets, not being depreciated	<u>8,568,665</u>	<u>2,420,550</u>	<u>--</u>	<u>(4,517,302)</u>	<u>6,471,913</u>
Capital assets, being depreciated:					
Infrastructure	83,327,069	--	--	--	83,327,069
Structures and improvements	12,415,491	--	(146,337)	4,517,302	16,786,456
Equipment	14,021,648	2,523,563	(67,335)	96,057	16,573,933
Total capital assets, being depreciated	<u>109,764,208</u>	<u>2,523,563</u>	<u>(213,672)</u>	<u>4,613,359</u>	<u>116,687,458</u>
Less accumulated depreciation for:					
Infrastructure	(61,084,055)	(2,437,789)	--	--	(63,521,844)
Structures and improvements	(5,108,022)	(345,919)	--	--	(5,453,941)
Equipment	(10,805,862)	(1,039,541)	55,791	(9,444)	(11,799,056)
Total accumulated depreciation	<u>(76,997,939)</u>	<u>(3,823,249)</u>	<u>55,791</u>	<u>(9,444)</u>	<u>(80,774,841)</u>
Total capital assets, being depreciated, net	<u>32,766,269</u>	<u>(1,299,686)</u>	<u>(157,881)</u>	<u>4,603,915</u>	<u>35,912,617</u>
Governmental activities capital assets, net	<u>\$ 41,334,934</u>	<u>\$ 1,120,864</u>	<u>\$ (157,881)</u>	<u>\$ 86,613</u>	<u>\$ 42,384,530</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 233,335	\$ --	\$ --	\$ --	\$ 233,335
Construction in progress	101,968	146,594	--	--	248,562
Total capital assets, not being depreciated	<u>335,303</u>	<u>146,594</u>	<u>--</u>	<u>--</u>	<u>481,897</u>
Capital assets, being depreciated:					
Structures and improvements	1,908,034	--	--	--	1,908,034
Equipment	1,790,098	--	--	(96,057)	1,694,041
Total capital assets, being depreciated	<u>3,698,132</u>	<u>--</u>	<u>--</u>	<u>(96,057)</u>	<u>3,602,075</u>
Less accumulated depreciation for:					
Structures and improvements	(358,284)	(43,009)	--	--	(401,293)
Equipment	(1,347,886)	(181,071)	--	9,444	(1,519,513)
Total accumulated depreciation	<u>(1,706,170)</u>	<u>(224,080)</u>	<u>--</u>	<u>9,444</u>	<u>(1,920,806)</u>
Total capital assets, being depreciated, net	<u>1,991,962</u>	<u>(224,080)</u>	<u>--</u>	<u>(86,613)</u>	<u>1,681,269</u>
Business-type activities capital assets, net	<u>\$ 2,327,265</u>	<u>\$ (77,486)</u>	<u>\$ --</u>	<u>\$ (86,613)</u>	<u>\$ 2,163,166</u>

¹ The beginning balance of Business-Type Activities construction in progress was restated as explained in Note 2.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$	215,557
Public protection		222,689
Public ways and facilities		2,781,419
Health and sanitation		39,844
Public assistance		10,758
Recreation and culture		130,809
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset		<u>422,173</u>
Total Depreciation Expense - Governmental Functions	\$	<u><u>3,823,249</u></u>

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

Solid Waste	\$	209,750
Airport		<u>14,330</u>
Total Depreciation Expense - Business-Type Functions	\$	<u><u>224,080</u></u>

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 6: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year
Governmental Activities					
Capital leases payable	\$ 1,341,882	\$ --	\$ (407,768)	\$ 934,114	\$ 372,623
Compensated absences	3,083,630	226,067	--	3,309,697	661,939
Claims liability	1,472,782	228,602	(335,655)	1,365,729	1,365,729
Total Governmental Activities					
Long-term liabilities	<u>\$ 5,898,294</u>	<u>\$ 454,669</u>	<u>\$ (743,423)</u>	<u>\$ 5,609,540</u>	<u>\$ 2,400,291</u>
Business-type Activities					
Certificates of participation	\$ 4,075,000	\$ --	(150,000)	\$ 3,925,000	\$ 155,000
Less: unamortized discount	(103,255)	--	5,581	(97,674)	--
Loans payable	300,000	--	(33,333)	266,667	33,333
Compensated absences	42,845	5,332	--	48,177	9,635
Landfill postclosure cost	3,787,927	1,686,832	--	5,474,759	--
Total Business-type Activities					
Long-term liabilities	<u>\$ 8,102,517</u>	<u>\$ 1,692,164</u>	<u>\$ (177,752)</u>	<u>\$ 9,616,929</u>	<u>\$ 197,968</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, 2009, 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
2010	\$ 33,333	\$ --	\$ 155,000	\$ 196,615
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
2015-2019	100,002	--	1,060,000	702,050
2020-2024	--	--	1,365,000	394,013
2025-2029	--	--	655,000	51,975
	<u>\$ 266,667</u>	<u>\$ --</u>	<u>\$ 3,925,000</u>	<u>\$ 2,064,483</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

Long-term liabilities at June 30, 2009, consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2009</u>
<u>Business-type activities</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	\$ 3,925,000
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>266,667</u>
Total business-type activities					<u>\$ 5,625,000</u>	<u>\$ 4,191,667</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, 2009:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments as of June 30, 2009</u>
Building	5.15% – 6.07%	\$ 442,549
Telephone system	5.15%	109,589
Various equipment and vehicles	4.95% – 7.94%	<u>381,976</u>
		<u>\$ 934,114</u>

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

Building	\$ 794,200
Telephone system	793,491
Various equipment and vehicles	1,387,090
Less: accumulated amortization	<u>(1,642,423)</u>
Total	<u>\$ 1,332,358</u>

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

As of June 30, 2009, future minimum lease payments under capital leases were as follows:

Year Ending <u>June 30:</u>	
2010	\$ 436,818
2011	256,391
2012	76,960
2013	56,021
2014	53,082
2015-2019	<u>212,328</u>
Total Future Minimum Lease Payments	1,091,600
Less: Interest	<u>(157,486)</u>
Present Value of Minimal Lease Payments	<u>\$ 934,114</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 \$5,474,759 reported as closure and postclosure liability in the Enterprise Fund at June 30, 2009, 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)	Estimated Capacity Used (Cubic Yards)	Estimated Percentage of Capacity Used through June 30, 2009	Landfill Closure and Postclosure Liability at June 30, 2009
Benton Crossing	\$ 2,971,091	\$ 1,710,043	\$ 4,681,134	2,301,600	994,927	43.23%	\$ 2,023,543
Pumice Valley	1,438,778	889,165	2,327,943	347,112	106,458	30.67%	713,972
Walker	735,854	717,525	1,453,379	340,716	62,908	18.46%	268,344
Benton*	--	865,200	865,200	--	--	--	865,200
Bridgeport*	--	968,600	938,600	--	--	--	968,600
Chalfant*	--	635,100	635,100	--	--	--	635,100
Total	<u>\$ 5,145,723</u>	<u>\$ 5,785,633</u>	<u>\$ 10,901,356</u>	<u>2,989,428</u>	<u>1,164,293</u>	38.95%	<u>\$ 5,474,759</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, 2009

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

The County will recognize the remaining estimated cost of closure and postclosure care of \$5,456,597 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 2009.

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, 2009, cash and investments of \$3,314,271 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 2008/2009 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, 2009

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

C. Annual Pension Cost

For the fiscal year ended June 30, 2009, the County’s annual pension cost of \$4,296,431 for PERS was equal to the County’s required and actual contributions. The required contribution was determined as part of the June 30, 2005, 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, 2005 (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, 2007	\$ 2,502,820	100%	\$ --
June 30, 2008	3,555,327	100%	--
June 30, 2009	4,296,431	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 an other 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, 2009

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 2008-09, the County contributed \$2,647,239, 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):

Table with 2 columns: Description and Amount. Rows include Annual required contribution, Annual OPEB cost (expense), Contributions made, Change in net OPEB obligation, Net OPEB obligation (asset) - beginning of year, and Net OPEB obligation (asset) - end of year.

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

Annual OPEB Cost and Net OPEB Obligation (continued)

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for fiscal year 2008-09 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$2,436,012	100%	\$ --

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.

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2008, the plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 26,319,917
Actuarial value of plan assets	<u>2,639,588</u>
Unfunded actuarial accrued liability (UAAL)	\$ 23,680,329
 Funded ratio (actuarial value of plan assets/AAL)	 10.03%
Covered payroll (active Plan members)	\$ n/a
UAAL as a percentage of covered payroll	n/a%

Actuarial Methods and Assumptions

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

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

Actuarial Methods and Assumptions (continued)

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

In the January 1, 2008 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, 2009, was 29 years.

Note 11: **Interfund Transactions**

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Internal Service Fund	\$ 498,511	Vehicle purchases.
	Nonmajor Governmental Funds	2,183,803	Capital projects.
	Nonmajor Governmental Funds	273,504	Various.
	Road	400,000	Heavy equipment purchase.
	Road	<u>1,384,525</u>	Budget transfer.
		<u>4,740,343</u>	
Nonmajor Governmental Funds	General Fund	790,749	Refund of excess construction in progress funding from capital projects fund.
	General Fund	265,317	Various.
	Internal Service Fund	50,000	Vehicle purchases.
	Nonmajor Governmental Funds	520,000	Close capital projects fund.
	Nonmajor Governmental Funds	<u>250,781</u>	Capital projects.
		<u>1,876,847</u>	
Road Fund	Internal Service Fund	<u>163,000</u>	Vehicle purchases.
Solid Waste Fund	Internal Service Fund	<u>136,613</u>	Transfer of vehicles to motor pool fund.
	Total	<u>\$ 6,916,803</u>	

COUNTY OF MONO

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 11: **Interfund Transactions** (continued)

The composition of interfund balances as of June 30, 2009, are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Bioterrorism Fund	\$ 550,738
	Nonmajor Governmental Funds	121,374
	Solid Waste Enterprise Fund	<u>1,019,976</u>
		<u>\$ 1,692,088</u>

The above balances reflect temporary loans to cover cash deficits.

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.

Restricted net assets in the business-type activities of \$617,646 are for cash held for debt service payments.

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.

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

As of June 30, 2009, 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.
- 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 General was created to represent the portion of fund equity the County expects to use for unpredicted future events.

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 has Risk Management Funds (internal service funds) 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 OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

County maintains reserves on hand with the Trindel Insurance Fund for all known claims as calculated by the actuary and a prudent reserve for the deductibles for future claims.

The County also belongs to another larger JPA called the County Supervisors Association of California Excess Insurance Authority (CSACEIA). CSACEIA, along with other commercial carriers, increases the coverage for general liability to \$15 million. Also, CSACEIA, along with other commercial carriers, covers replacement cost on property to \$600 million with a \$1,000 deductible per occurrence. CSACEIA is a public entity risk pool currently operating as a common risk management and insurance program. The County pays an annual premium to the Authority for excess insurance coverage. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Risk Management funds based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$1,365,729 reported in the government-wide statements at June 30, 2009, 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, 2008 and 2009, 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>
2008	\$ 1,751,551	\$ 166,294	\$ 445,063	\$ 1,472,782
2009	1,472,782	228,602	335,655	1,365,729

COUNTY OF MONO

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2009

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

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

Note 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MONO

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 24,265,848	\$ 24,433,575	\$ 23,123,445	\$ (1,310,130)
Licenses and permits	603,910	609,400	660,510	51,110
Fines, forfeits and penalties	649,930	650,930	806,562	155,632
Revenue from use of money and property	594,765	594,765	585,880	(8,885)
Aid from other governments	12,036,324	12,762,571	11,608,476	(1,154,095)
Charges for services	2,680,484	2,768,116	2,803,036	34,920
Miscellaneous revenue	84,454	74,180	205,913	131,733
Total Revenues	<u>40,915,715</u>	<u>41,893,537</u>	<u>39,793,822</u>	<u>(2,099,715)</u>
Expenditures:				
Current:				
General government	14,758,942	14,410,622	11,071,184	3,339,438
Public protection	15,273,559	15,502,749	14,539,307	963,442
Public way and facilities	920,900	920,900	935,370	(14,470)
Health and sanitation	8,444,390	8,416,453	8,357,961	58,492
Public assistance	3,848,904	4,278,049	3,993,436	284,613
Education	36,830	36,830	36,363	467
Recreation and cultural services	1,314,376	1,334,376	1,129,196	205,180
Total Expenditures	<u>44,597,901</u>	<u>44,899,979</u>	<u>40,062,817</u>	<u>4,837,162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,682,186)</u>	<u>(3,006,442)</u>	<u>(268,995)</u>	<u>2,737,447</u>
Other Financing Sources (Uses):				
Transfers in	1,377,594	1,963,694	1,056,066	(907,628)
Transfers out	(5,901,887)	(6,591,090)	(4,740,343)	1,850,747
Total Other Financing Sources (Uses)	<u>(4,524,293)</u>	<u>(4,627,396)</u>	<u>(3,684,277)</u>	<u>943,119</u>
Net Change in Fund Balances	(8,206,479)	(7,633,838)	(3,953,272)	3,680,566
Budgetary Fund Balances - Beginning of Year	<u>18,019,946</u>	<u>18,019,946</u>	<u>18,019,946</u>	<u>--</u>
Budgetary Fund Balances - End of Year	<u>\$ 9,813,467</u>	<u>\$ 10,386,108</u>	<u>\$ 14,066,674</u>	<u>\$ 3,680,566</u>

COUNTY OF MONO

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2009

	<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	\$ 3,300	\$ (1,700)
Fines, forfeits and penalties	40,000	40,000	48,654	8,654
Revenue from use of money and property	4,000	4,000	(11,093)	(15,093)
Aid from other governments	4,244,923	4,244,923	4,395,068	150,145
Charges for services	1,379,900	1,379,900	1,306,829	(73,071)
Other revenues	1,000	1,000	(485)	(1,485)
Total Revenues	<u>5,674,823</u>	<u>5,674,823</u>	<u>5,742,273</u>	<u>67,450</u>
Expenditures:				
Current:				
Public way and facilities	<u>6,771,521</u>	<u>6,771,521</u>	<u>5,263,932</u>	<u>1,507,589</u>
Total Expenditures	<u>6,771,521</u>	<u>6,771,521</u>	<u>5,263,932</u>	<u>1,507,589</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,096,698)</u>	<u>(1,096,698)</u>	<u>478,341</u>	<u>1,575,039</u>
Other Financing Sources (Uses):				
Transfers in	1,429,963	1,429,963	1,784,525	354,562
Transfers in	<u>(163,000)</u>	<u>(163,000)</u>	<u>(163,000)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>1,266,963</u>	<u>1,266,963</u>	<u>1,621,525</u>	<u>354,562</u>
Net Change in Fund Balances	170,265	170,265	2,099,866	1,929,601
Fund Balances - Beginning of Year	<u>(76,816)</u>	<u>(76,816)</u>	<u>(76,816)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 93,449</u>	<u>\$ 93,449</u>	<u>\$ 2,023,050</u>	<u>\$ 1,929,601</u>

COUNTY OF MONO

Budgetary Comparison Schedule
 Bioterrorism Fund
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Revenue from use of money and property	\$ (8,000)	\$ (8,000)	\$ (16,291)	\$ (8,291)
Aid from other governments	346,592	309,879	771,851	461,972
Other revenues	--	5,000	5,000	--
Total Revenues	<u>338,592</u>	<u>306,879</u>	<u>760,560</u>	<u>453,681</u>
Expenditures:				
Current:				
Public protection	328,014	395,461	573,723	(178,262)
Total Expenditures	<u>328,014</u>	<u>395,461</u>	<u>573,723</u>	<u>(178,262)</u>
Net Change in Fund Balances	10,578	(88,582)	186,837	275,419
Fund Balances - Beginning of Year	<u>(582,818)</u>	<u>(582,818)</u>	<u>(582,818)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (572,240)</u>	<u>\$ (671,400)</u>	<u>\$ (395,981)</u>	<u>\$ 275,419</u>

COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2009

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>						
06/30/05	\$ 44,423	\$ 39,391	\$ 5,032	88.7%	\$ 10,108	49.8%
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%

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	\$ 2,640	\$ 26,320	\$ 23,680	10.03%	n/a	n/a

COUNTY OF MONO

Note to Required Supplementary Information For the Year Ended June 30, 2009

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.

**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, 2009

	Special Revenue			
	Geothermal	Fish and Game	Tobacco	Well Abandonment
<u>Assets</u>				
Cash and investments	\$ 17,275	\$ 36,323	\$ --	\$ 91,439
Accounts receivable	--	--	--	--
Due from other governments	--	--	12,123	--
Prepays	--	--	--	--
	<u>\$ 17,275</u>	<u>\$ 36,323</u>	<u>\$ 12,123</u>	<u>\$ 91,439</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 312	\$ 34,989
Salaries and benefits payable	--	--	33,765	--
Due to other funds	--	--	9,865	--
Unearned revenue	--	--	--	--
Deferred revenue	--	--	12,123	--
	<u>--</u>	<u>--</u>	<u>56,065</u>	<u>34,989</u>
Total Liabilities	<u>--</u>	<u>--</u>	<u>56,065</u>	<u>34,989</u>
Fund Balance				
Unreserved:				
Undesignated	17,275	36,323	(43,942)	56,450
	<u>17,275</u>	<u>36,323</u>	<u>(43,942)</u>	<u>56,450</u>
Total Fund Balances	<u>17,275</u>	<u>36,323</u>	<u>(43,942)</u>	<u>56,450</u>
Total Liabilities and Fund Balances	<u>\$ 17,275</u>	<u>\$ 36,323</u>	<u>\$ 12,123</u>	<u>\$ 91,439</u>

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue			
	Emergency Medical Services	Major Thoroughfare	Mitigation Fee	County Service Areas
<u>Assets</u>				
Cash and investments	\$ 163,989	\$ 59,772	\$ 110,370	\$ 1,218,757
Accounts receivable	--	--	--	--
Due from other governments	--	--	--	--
Prepays	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 163,989</u>	<u>\$ 59,772</u>	<u>\$ 110,370</u>	<u>\$ 1,218,757</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Salaries and benefits payable	--	--	--	--
Due to other funds	--	--	--	--
Unearned revenue	--	--	--	--
Deferred revenue	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Unreserved:				
Undesignated	163,989	59,772	110,370	1,218,757
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>163,989</u>	<u>59,772</u>	<u>110,370</u>	<u>1,218,757</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 163,989</u>	<u>\$ 59,772</u>	<u>\$ 110,370</u>	<u>\$ 1,218,757</u>

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2009

	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	\$ 78,949	\$ 1,522	\$ 766,960	\$ 1,030,600	\$ 3,575,956
Accounts receivable	--	--	195,520	--	195,520
Due from other governments	--	--	--	16,806	28,929
Prepays	--	--	--	2,928	2,928
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 78,949</u>	<u>\$ 1,522</u>	<u>\$ 962,480</u>	<u>\$ 1,050,334</u>	<u>\$ 3,803,333</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ --	\$ --	\$ 1,969	\$ 1,995	\$ 39,265
Salaries and benefits payable	--	--	45,780	36,568	116,113
Due to other funds	--	--	111,509	--	121,374
Unearned revenue	--	--	--	2,756	2,756
Deferred revenue	--	--	--	--	12,123
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u>159,258</u>	<u>41,319</u>	<u>291,631</u>
Fund Balance					
Unreserved:					
Undesignated	<u>78,949</u>	<u>1,522</u>	<u>803,222</u>	<u>1,009,015</u>	<u>3,511,702</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>78,949</u>	<u>1,522</u>	<u>803,222</u>	<u>1,009,015</u>	<u>3,511,702</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 78,949</u>	<u>\$ 1,522</u>	<u>\$ 962,480</u>	<u>\$ 1,050,334</u>	<u>\$ 3,803,333</u>

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2009

	Capital Projects				Total
	Miscellaneous Capital Improvements	County Parks	Impact Fees - Crowley Lake Area	Total Capital Projects	
<u>Assets</u>					
Cash and investments	\$ 56,543	\$ --	\$ 238,610	\$ 295,153	\$ 3,871,109
Accounts receivable	--	--	--	--	195,520
Due from other governments	--	--	--	--	28,929
Prepays	--	--	--	--	2,928
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 56,543</u>	<u>\$ --</u>	<u>\$ 238,610</u>	<u>\$ 295,153</u>	<u>\$ 4,098,486</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 52,762	\$ --	\$ --	\$ 52,762	\$ 92,027
Salaries and benefits payable	--	--	--	--	116,113
Due to other funds	--	--	--	--	121,374
Unearned revenue	--	--	--	--	2,756
Deferred revenue	--	--	--	--	12,123
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>52,762</u>	<u>--</u>	<u>--</u>	<u>52,762</u>	<u>344,393</u>
Fund Balance					
Unreserved:					
Undesignated	<u>3,781</u>	<u>--</u>	<u>238,610</u>	<u>242,391</u>	<u>3,754,093</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>3,781</u>	<u>--</u>	<u>238,610</u>	<u>242,391</u>	<u>3,754,093</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 56,543</u>	<u>\$ --</u>	<u>\$ 238,610</u>	<u>\$ 295,153</u>	<u>\$ 4,098,486</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue			
	Geothermal	Fish and Game	Tobacco	Well Abandonment
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	--	7,579	1,584	--
Use of money and property	--	972	(5,587)	2,757
Intergovernmental	70,470	--	150,000	--
Charges for services	--	--	--	--
Miscellaneous	--	385	40	3,200
Total Revenues	<u>70,470</u>	<u>8,936</u>	<u>146,037</u>	<u>5,957</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	2,940	--	--
Public ways and facilities	51,485	--	--	--
Health and sanitation	--	--	330,315	145,851
Public assistance	--	--	--	--
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>51,485</u>	<u>2,940</u>	<u>330,315</u>	<u>145,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,985</u>	<u>5,996</u>	<u>(184,278)</u>	<u>(139,894)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	157,654	110,850
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>157,654</u>	<u>110,850</u>
Net Change in Fund Balances	18,985	5,996	(26,624)	(29,044)
Fund Balances - Beginning of Year	<u>(1,710)</u>	<u>30,327</u>	<u>(17,318)</u>	<u>85,494</u>
Fund Balances - End of Year	<u>\$ 17,275</u>	<u>\$ 36,323</u>	<u>\$ (43,942)</u>	<u>\$ 56,450</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, 2009

	Special Revenue			
	Emergency Medical Services	Major Thoroughfare	Mitigation Fee	County Service Areas
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 124,792
Fines, forfeitures and penalties	107,639	--	--	--
Use of money and property	4,415	2,305	4,256	52,721
Intergovernmental	--	--	--	4,000
Charges for services	--	--	--	28,000
Miscellaneous	--	--	--	65,585
Total Revenues	<u>112,054</u>	<u>2,305</u>	<u>4,256</u>	<u>275,098</u>
Expenditures:				
Current:				
General government	--	--	--	78,820
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	111,488	--	--	--
Public assistance	--	--	--	--
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>111,488</u>	<u>--</u>	<u>--</u>	<u>78,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>566</u>	<u>2,305</u>	<u>4,256</u>	<u>196,278</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	(237,332)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(237,332)</u>
Net Change in Fund Balances	566	2,305	4,256	(41,054)
Fund Balances - Beginning of Year	<u>163,423</u>	<u>57,467</u>	<u>106,114</u>	<u>1,259,811</u>
Fund Balances - End of Year	<u>\$ 163,989</u>	<u>\$ 59,772</u>	<u>\$ 110,370</u>	<u>\$ 1,218,757</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, 2009

	Special Revenue				Total Special Revenue
	June Lake Storm Drain	Developer Fees	Mental Health Services Act	Various Restricted Grant Funds	
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 124,792
Fines, forfeitures and penalties	--	--	--	72,702	189,504
Use of money and property	3,045	--	36,918	29,083	130,885
Intergovernmental	--	--	1,414,919	1,453,392	3,092,781
Charges for services	--	--	--	--	28,000
Miscellaneous	--	--	--	19,461	88,671
Total Revenues	<u>3,045</u>	<u>--</u>	<u>1,451,837</u>	<u>1,574,638</u>	<u>3,654,633</u>
Expenditures:					
Current:					
General government	--	--	--	3,383	82,203
Public protection	--	--	--	1,365,988	1,368,928
Public ways and facilities	--	--	--	--	51,485
Health and sanitation	--	--	786,179	--	1,373,833
Public assistance	--	--	--	100,132	100,132
Recreation	--	--	--	17,871	17,871
Capital outlay	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>786,179</u>	<u>1,487,374</u>	<u>2,994,452</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,045</u>	<u>--</u>	<u>665,658</u>	<u>87,264</u>	<u>660,181</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	5,000	273,504
Transfers out	--	--	(207,000)	(96,916)	(541,248)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(207,000)</u>	<u>(91,916)</u>	<u>(267,744)</u>
Net Change in Fund Balances	3,045	--	458,658	(4,652)	392,437
Fund Balances - Beginning of Year	<u>75,904</u>	<u>1,522</u>	<u>344,564</u>	<u>1,013,667</u>	<u>3,119,265</u>
Fund Balances - End of Year	<u>\$ 78,949</u>	<u>\$ 1,522</u>	<u>\$ 803,222</u>	<u>\$ 1,009,015</u>	<u>\$ 3,511,702</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, 2009

	Capital Projects				Total
	Miscellaneous Capital Improvements	County Parks	Impact Fees - Crowley Lake Area	Total Capital Projects	
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 124,792
Fines, forfeitures and penalties	--	--	--	--	189,504
Use of money and property	--	--	8,690	8,690	139,575
Intergovernmental	621,775	--	--	621,775	3,714,556
Charges for services	--	--	--	--	28,000
Miscellaneous	40,661	--	30,275	70,936	159,607
Total Revenues	<u>662,436</u>	<u>--</u>	<u>38,965</u>	<u>701,401</u>	<u>4,356,034</u>
Expenditures:					
Current:					
General government	--	--	--	--	82,203
Public protection	--	--	--	--	1,368,928
Public ways and facilities	--	--	--	--	51,485
Health and sanitation	--	--	--	--	1,373,833
Public assistance	--	--	--	--	100,132
Recreation	--	--	--	--	17,871
Capital outlay	1,861,329	453,868	--	2,315,197	2,315,197
Total Expenditures	<u>1,861,329</u>	<u>453,868</u>	<u>--</u>	<u>2,315,197</u>	<u>5,309,649</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,198,893)</u>	<u>(453,868)</u>	<u>38,965</u>	<u>(1,613,796)</u>	<u>(953,615)</u>
Other Financing Sources (Uses):					
Transfers in	2,363,136	591,448	--	2,954,584	3,228,088
Transfers out	(1,335,599)	--	--	(1,335,599)	(1,876,847)
Total Other Financing Sources (Uses)	<u>1,027,537</u>	<u>591,448</u>	<u>--</u>	<u>1,618,985</u>	<u>1,351,241</u>
Net Change in Fund Balances	(171,356)	137,580	38,965	5,189	397,626
Fund Balances - Beginning of Year	<u>175,137</u>	<u>(137,580)</u>	<u>199,645</u>	<u>237,202</u>	<u>3,356,467</u>
Fund Balances - End of Year	<u>\$ 3,781</u>	<u>\$ --</u>	<u>\$ 238,610</u>	<u>\$ 242,391</u>	<u>\$ 3,754,093</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, 2009

	Airport	Campgrounds	Cemeteries	Total
<u>Assets</u>				
Current Assets:				
Pooled cash and investments	\$ 134,144	\$ 22,311	\$ 75,840	\$ 232,295
Accounts receivable	43,117	--	--	43,117
Inventory	2,112	--	--	2,112
Total Current Assets	179,373	22,311	75,840	277,524
Noncurrent Assets:				
Capital assets:				
Nondepreciable	481,897	--	--	481,897
Depreciable, net	611,640	--	--	611,640
Total Noncurrent Assets	1,093,537	--	--	1,093,537
Total Assets	\$ 1,272,910	\$ 22,311	\$ 75,840	\$ 1,371,061
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 7,079	\$ 1,135	\$ 3,945	\$ 12,159
Total Liabilities	7,079	1,135	3,945	12,159
<u>Net Assets</u>				
Invested in capital assets	1,093,537	--	--	1,093,537
Unrestricted	172,294	21,176	71,895	265,365
Total Net Assets	1,265,831	21,176	71,895	1,358,902
Total Liabilities and Net Assets	\$ 1,272,910	\$ 22,311	\$ 75,840	\$ 1,371,061

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2009

	<u>Airport</u>	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 8,823	\$ 26,875	\$ 1,818	\$ 37,516
 Total Operating Revenues	 <u>8,823</u>	 <u>26,875</u>	 <u>1,818</u>	 <u>37,516</u>
Operating Expenses:				
Services and supplies	37,252	19,118	6,362	62,732
Depreciation	14,330	--	--	14,330
 Total Operating Expenses	 <u>51,582</u>	 <u>19,118</u>	 <u>6,362</u>	 <u>77,062</u>
 Operating Income (Loss)	 <u>(42,759)</u>	 <u>7,757</u>	 <u>(4,544)</u>	 <u>(39,546)</u>
Non-Operating Revenues (Expenses):				
Interest income (expense)	(1,241)	841	2,951	2,551
Operating grants	66,845	--	--	66,845
 Total Non-Operating Revenues	 <u>65,604</u>	 <u>841</u>	 <u>2,951</u>	 <u>69,396</u>
 Change in Net Assets	 22,845	 8,598	 (1,593)	 29,850
 Net Assets - Beginning of Year, as restated	 <u>1,242,986</u>	 <u>12,578</u>	 <u>73,488</u>	 <u>1,329,052</u>
 Net Assets - End of Year	 <u>\$ 1,265,831</u>	 <u>\$ 21,176</u>	 <u>\$ 71,895</u>	 <u>\$ 1,358,902</u>

COUNTY OF MONO

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2009

	<u>Airport</u>	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 8,823	\$ 26,875	\$ 1,818	\$ 37,516
Cash paid to suppliers for goods and services	<u>(30,487)</u>	<u>(19,689)</u>	<u>(2,417)</u>	<u>(52,593)</u>
Net Cash Provided (Used) by Operating Activities	<u>(21,664)</u>	<u>7,186</u>	<u>(599)</u>	<u>(15,077)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants	66,845	--	--	66,845
Interfund loans	<u>(201,057)</u>	<u>--</u>	<u>--</u>	<u>(201,057)</u>
Net Cash Provided (Used) by Investing Activities	<u>(134,212)</u>	<u>--</u>	<u>--</u>	<u>(134,212)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants	437,855	--	--	437,855
Purchase of capital assets	<u>(146,594)</u>	<u>--</u>	<u>--</u>	<u>(146,594)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>291,261</u>	<u>--</u>	<u>--</u>	<u>291,261</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	<u>(1,241)</u>	841	2,951	2,551
Net Cash Provided (Used) by Investing Activities	<u>(1,241)</u>	<u>841</u>	<u>2,951</u>	<u>2,551</u>
Net Increase (Decrease) in Cash and Cash Equivalents	134,144	8,027	2,352	144,523
Cash and Cash Equivalents, Beginning of Year	<u>--</u>	<u>14,284</u>	<u>73,488</u>	<u>87,772</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 134,144</u></u>	<u><u>\$ 22,311</u></u>	<u><u>\$ 75,840</u></u>	<u><u>\$ 232,295</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (42,759)	\$ 7,757	\$ (4,544)	\$ (39,546)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	14,330	--	--	14,330
Changes in assets and liabilities:				
Increase (decrease) in:				
Payables	<u>6,765</u>	<u>(571)</u>	<u>3,945</u>	<u>10,139</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (21,664)</u></u>	<u><u>\$ 7,186</u></u>	<u><u>\$ (599)</u></u>	<u><u>\$ (15,077)</u></u>

INTERNAL SERVICE FUNDS

COUNTY OF MONO

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2009

	Wellness Program	Motor Pool	Total
<u>Assets</u>			
Current Assets:			
Pooled cash and investments	\$ --	\$ 338,752	\$ 338,752
Total Current Assets	--	338,752	338,752
Noncurrent Assets:			
Capital assets:			
Depreciable, net	--	1,970,403	1,970,403
Total Noncurrent Assets	--	1,970,403	1,970,403
Total Assets	\$ --	\$ 2,309,155	\$ 2,309,155
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	\$ --	\$ 2,186	\$ 2,186
Total Liabilities	--	2,186	2,186
<u>Net Assets</u>			
Invested in capital assets	--	1,970,403	1,970,403
Unrestricted	--	336,566	336,566
Total Net Assets	--	2,306,969	2,306,969
Total Liabilities and Net Assets	\$ --	\$ 2,309,155	\$ 2,309,155

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	Wellness Program	Motor Pool	Total
Operating Revenues:			
Charges for services	\$ --	\$ 597,479	\$ 597,479
Total Operating Revenues	--	597,479	597,479
Operating Expenses:			
Services and supplies	31,049	234,182	265,231
Depreciation	--	422,173	422,173
Total Operating Expenses	31,049	656,355	687,404
Operating Income (Loss)	(31,049)	(58,876)	(89,925)
Non-Operating Revenues (Expenses):			
Interest income (expense)	--	18,381	18,381
Miscellaneous	--	(3,661)	(3,661)
Total Non-Operating Revenues	--	14,720	14,720
Income (Loss) Before Contributions and Transfers	(31,049)	(44,156)	(75,205)
Capital contributions	--	1,503,001	1,503,001
Transfers in	--	848,124	848,124
Change in Net Assets	(31,049)	2,306,969	2,275,920
Net Assets - Beginning of Year	31,049	--	31,049
Net Assets - End of Year	\$ --	\$ 2,306,969	\$ 2,306,969

COUNTY OF MONO

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

	<u>Wellness Program</u>	<u>Motor Pool</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ --	\$ 597,479	\$ 597,479
Cash paid to suppliers for goods and services	<u>(31,049)</u>	<u>(231,996)</u>	<u>(263,045)</u>
Net Cash Provided (Used) by Operating Activities	<u>(31,049)</u>	<u>365,483</u>	<u>334,434</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	<u>--</u>	<u>761,511</u>	<u>761,511</u>
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>761,511</u>	<u>761,511</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>--</u>	<u>(806,623)</u>	<u>(806,623)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(806,623)</u>	<u>(806,623)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	<u>--</u>	<u>18,381</u>	<u>18,381</u>
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>18,381</u>	<u>18,381</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(31,049)	338,752	307,703
Cash and Cash Equivalents, Beginning of Year	<u>31,049</u>	<u>--</u>	<u>31,049</u>
Cash and Cash Equivalents, End of Year	<u>\$ --</u>	<u>\$ 338,752</u>	<u>\$ 338,752</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (31,049)	\$ (58,876)	\$ (89,925)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	422,173	422,173
Changes in assets and liabilities:			
Increase (decrease) in:			
Payables	<u>--</u>	<u>2,186</u>	<u>2,186</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (31,049)</u>	<u>\$ 365,483</u>	<u>\$ 334,434</u>
Noncash Investing, Capital and Financing Activities:			
Transfer of capital assets from other funds	<u>\$ --</u>	<u>\$ 1,639,614</u>	<u>\$ 1,639,614</u>

INVESTMENT TRUST FUNDS

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

COUNTY OF MONO

Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2009

	<u>Local Districts</u>	<u>School Funds</u>	<u>Total</u>
<u>Assets</u>			
Pooled cash and investments	<u>\$ 7,649,378</u>	<u>\$ 27,327,706</u>	<u>\$ 34,977,084</u>
Total Assets	<u><u>\$ 7,649,378</u></u>	<u><u>\$ 27,327,706</u></u>	<u><u>\$ 34,977,084</u></u>
<u>Net Assets</u>			
Net assets held in trust for investment pool participants	<u><u>\$ 7,649,378</u></u>	<u><u>\$ 27,327,706</u></u>	<u><u>\$ 34,977,084</u></u>

COUNTY OF MONO

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2009

	Local Districts	School Districts	Total
Additions			
Contributions	\$ 21,317,341	\$ 41,063,069	\$ 62,380,410
Revenue from use of money and property	313,479	1,111,113	1,424,592
Total Additions	21,630,820	42,174,182	63,805,002
Deductions:			
Distribution from pooled investment	19,141,149	36,097,586	55,238,735
Change in net assets	2,489,671	6,076,596	8,566,267
Beginning net assets held in trust for pool participants	5,159,707	21,251,110	26,410,817
Ending net assets held for pool participants	\$ 7,649,378	\$ 27,327,706	\$ 34,977,084

STATISTICAL SECTION (UNAUDITED)

COUNTY OF MONO
DIRECTORY OF PUBLIC OFFICIALS
June 30, 2009

DEPARTMENT	DEPARTMENT OFFICIAL
Assessor	Jody Henning
Board of Supervisors	
District 1	Tom Farnetti
District 2	Duane "Hap" Hazard
District 3	Vikki Magee Bauer
District 4	William Reid, Chairman
District 5	Byng Hunt, Vice-Chairman
Clerk-Recorder/Clerk of the Board	Lynda Roberts
County Counsel	Marshall Rudolph
County Administrative Officer	David Wilbrecht
Finance Director	Brian Muir
Health Officer	Richard Johnson, MD
Combined Court	Edward Forstenzer
Mental Health	Ann Gimpel
Probation	Beverlee Bryant
Public Health Director	Lynda Salcido
Public Works	Evan Nikirk
Sheriff-Coroner	Richard Scholl
Superintendent of Schools	Catherine Hiatt
Social Services	Edward Zylman

COUNTY OF MONO

**Tax Levies and Collections
General Fund Secured Roll
1992-93 through 2008-09**

<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%

COUNTY OF MONO

General Fund Secured Roll 1992-93 through 2008-09

Fiscal Year	Tax Levy	Current Taxes Collected	Percent of Levy	Delinquent Collections	Total Collections	Percent of Levy Collected
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	6,603,799	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%

COUNTY OF MONO

**Property Tax Value Allocation Collection
1992-93 through 2008-09**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
1992-93	\$ 1,475,079,312	\$ 235,660,094	\$ 1,710,739,406
1993-94	1,528,919,793	242,890,893	1,771,810,686
1994-95	1,596,913,764	231,701,331	1,828,615,095
1995-96	1,592,321,372	215,419,598	1,807,740,970
1996-97	1,597,912,626	224,837,451	1,822,750,077
1977-98	1,632,980,213	225,309,948	1,858,290,161
1998-99	1,676,009,395	229,640,519	1,905,649,914
1999-00	1,779,593,856	229,350,947	2,008,944,803
2000-01	1,989,414,352	196,039,081	2,185,453,433
2001-02	2,215,280,910	224,479,974	2,439,760,884
2002-03	2,430,999,676	252,782,477	2,683,782,153
2003-04	2,762,004,268	265,105,692	3,027,109,960
2004-05	3,085,979,775	267,934,406	3,353,914,181
2005-06	3,550,462,443	260,084,308	3,810,546,751
2006-07	4,278,126,257	281,570,435	4,559,696,692
2007-08	5,015,813,891	302,045,338	5,317,859,229
2008-09	5,554,102,507	318,725,408	5,872,827,915

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
2008-09

<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	0.0419542
ESUSD BOND Redemption	0.0793192
TOTAL	<u>1.1212733</u>
<u>TAX AREAS: 51-14 THRU 51-18</u>	
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.0419542
ESUSD BOND Redemption	0.0793192
June Lake PUD Bond	0.000000
TOTAL	<u>1.1212733</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	0.000000
Mammoth-Kern SFID	0.000000
Southern Mono Hospital Bond Redemption	0.0480845
Southern Mono Hospital Bond Current	0.0188305
TOTAL	<u>1.0669150</u>
<u>TAX AREAS: 10-01,10-05,10-07,10-09,10-10</u>	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.000000
Mammoth County Water Improv. Bond #2	0.000000
Southern Mono Hospital Bond Redemption	0.0480845
Southern Mono Hospital Bond Current	0.0188305
Mammoth Unified Bond '98, '00 & '01	0.000000
TOTAL	<u>1.0669150</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	0.000000
Southern Mono Hospital Bond Redemption	0.0480845
Southern Mono Hospital Bond Current	0.0188305
TOTAL	<u>1.0669150</u>
<u>TAX AREAS: 60-00</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.000000
Bishop HS Bond (Determined by Inyo County)	0.000000
Southern Mono Hospital Bond Redemption	0.0480845
Southern Mono Hospital Bond Current	0.0188305
TOTAL	<u>1.0669150</u>

TAX AREAS: 60-01 THRU 60-06

PROP 13 (1% Limit)

1.0000000

Round Valley Bond (Determined by Inyo County)

0.0000000

Bishop HS Bond (Determined by Inyo County)

0.0000000

TOTAL 1.0000000

COUNTY OF MONO
Distribution of Pooled Property Tax
1992-93 through 2008-09

<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%

COUNTY OF MONO
Tax Collections
1992-93 through 2008-09

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 **	

* *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

2004-05 through 2008-09

	<u>COUNTY</u>			<u>TOWN</u>			<u>SPECIAL DISTRICTS</u>
	<i>Sales Tax</i>	<i>VLF</i>	<i>ERAF III</i>	<i>Sales Tax</i>	<i>VLF</i>	<i>ERAF III</i>	<i>ERAF III</i>
2004-05	96,378	943,697	(92,964)	456,945	415,538	(217,497)	(890,482)
2005-06	101,279	1,074,952	(92,964)	501,959	517,229	(217,497)	(983,446)
2006-07	134,817	1,289,321	0	679,429	628,899	0	0
2007-08	148,749	1,494,755	0	518,443	744,745	0	0
2008-09	105,026	1,651,183	0	509,504	832,471	0	0

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, 2009

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 44

County Employees: Full-Time *(Includes Public Protection Employees)* 318
Part-Time 22
Total **340**

Elections: Registered Voters 6,869
Number of Votes Cast Last General Election 5,483
Percentage of Registered Voters Voting 79.82%

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

COUNTY OF MONO
Miscellaneous Statistical Information
June 30, 2009

	1999	***	10,223
	2000	***	10,293
Population: (Continued)	<u>FY Year</u>	<u>County</u>	<u>Incorporated</u>
<i>As of 1/1/**</i>	2001		***
	2002		***
	2003		***
	2004	5,946	7,617
	2005	5,982	7,667
	2006	5,880	7,717
	2007	6,346	7,413
	2008	6,214	7,413
			<u>Total</u>

*** No Data Kept for these years