

COUNTY OF MONO
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2014

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

AUDIT REPORT

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Letter of Transmittal.....	1-4
Organization Chart of Elected and Appointed Officials	5
Directory of Public Officials.....	6
 <u>Financial Section</u>	
Independent Auditor's Report.....	7-8
Management's Discussion and Analysis (Required Supplementary Information)	9-18
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities.....	20-21
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	23
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances.....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	26
Proprietary Funds:	
Statement of Fund Net Position.....	27
Statement of Revenues, Expenses and Changes in Fund Net Position	28
Statement of Cash Flows.....	29-30
Fiduciary Funds:	
Statement of Fiduciary Net Position	31
Statement of Changes in Fiduciary Net Position	32
Notes to Financial Statements	33-56
Required Supplementary Information:	
Schedule of Funding Progress	57
Budgetary Comparison Schedule:	
General Fund	58
Road Fund	59
Realignment Fund.....	60
Note to Required Supplementary Information.....	61

COUNTY OF MONO

AUDIT REPORT

Table of Contents

	<u>Page</u>
Combining and Individual Fund Statements:	
Nonmajor Governmental Funds	
Definition	63
Combining Balance Sheet.....	65-67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	68-70
Nonmajor Enterprise Funds:	
Definition	71
Combining Statement of Fund Net Position.....	73
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	74
Combining Statement of Cash Flows.....	75
Nonmajor Internal Service Funds:	
Definition	77
Combining Statement of Fund Net Position.....	79
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	80
Combining Statement of Cash Flows.....	81
Investment Trust Funds:	
Definition	83
Combining Statement of Fiduciary Net Position	85
Combining Statement of Changes in Fiduciary Net Position	86
<u>Statistical Section (Unaudited)</u>	
Comparative Schedules:	
Tax Levies and Collections – General Fund Secured Roll	87
Property Tax Value Allocation Collection	88-89
Distribution of Pooled Property Tax	90
Tax Collections	91
Triple Flip.....	92
Miscellaneous Statistical Information	93-94

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



DEPARTMENT OF FINANCE COUNTY OF MONO

Vacant
Assistant Finance Director
Treasurer-Tax Collector

Leslie L. Chapman, CPA
Finance Director

Roberta Reed
Assistant Finance Director
Auditor-Controller

P.O. Box 495
Bridgeport, California 93517
(760) 932-5480
Fax (760) 932-5481

P.O. Box 556
Bridgeport, California 93517
(760) 932-5490
Fax (760) 932-5491

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, 2014, 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 category 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 \$52,080,698 in 2013-14, an increase of 7.3 percent from 2012-13. The amount of variance from the prior fiscal year is shown in the following tabulation. For fiscal year 2013-14 this variance is primarily from an increase in intergovernmental revenues and charges for services.

Sources: FY 2013-14	Amount	Percent of Total	Increase (Decrease) from FY 2012-13
Taxes and assessments	21,250,247	40.80%	(629,589)
Licenses and permits	661,900	1.27%	60,287
Fines, forfeitures and penalties	791,631	1.52%	(117,943)
Use of money and property	144,979	0.28%	(164,276)
Intergovernmental	22,590,792	43.38%	2,220,199
Charges for current services	5,457,830	10.48%	1,548,603
Other revenue	1,183,319	2.27%	641,749
TOTAL	52,080,698	100.00%	3,559,030

Expenditures for all Governmental fund type functions totaled \$49,557,086 an increase of less than 1 percent over 2012-13. The amount of variance from the prior fiscal year is shown in the following tabulation. While on the face of it, by the numbers shown, it appears that the costs of General Government almost doubled, Public Protection dropped by 17% as did various other categorical spending. This anomaly is the result of no longer charging departments within the General Fund their actual A-87 costs. The departments such as County Counsel, Finance/Payroll, Buildings, and IT are general government departments and make up a large portion of A-87 cost distribution. Without charging the affected departments these costs and not off-setting the expenses in the departments providing the services resulted in skewed results for this year. Next year the changes will be more reflective of actual expenditure activity.

Sources: FY 2013-14	Amount	Percent of Total	Increase (Decrease) from FY 2012-13
General Government	12,191,726	24.60%	5,665,810
Public Protection	16,231,006	32.75%	(3,401,031)
Public Ways and Facilities	7,084,870	14.30%	(1,135,542)
Health and Sanitation	9,043,613	18.25%	(751,687)
Public Assistance	3,993,744	8.06%	(12,305)
Education	35,567	0.07%	(2,191)
Recreation and Culture	25,316	0.05%	11,386
Debt Service			
Principal	548,000	1.11%	45,900
Interest	162,451	0.33%	(10,344)
Capital Outlay	240,793	0.49%	(106,097)
TOTAL	49,557,086	100.00%	303,899

At June 30, 2014, the Governmental fund types unassigned fund balance of \$4,693,890 was composed of the following:

General Government Type Funds	\$ 4,893,922
Other Governmental	(146,032)

Mono County implemented GASB 54 beginning June 30, 2011. GASB 54, reflects an accounting rule designating and reclassifying fund balances into the following categories: Non-spendable, Restricted, Committed, Assigned and Unassigned. When a fund has a restricted balance, it means the money in those funds can only be used for specified purposes, i.e. Road Fund monies may only be spent on road projects, hence restricted. The Road Fund has a restricted fund balance of \$ 41,059. It is unassigned as far as road activity goes, but is restricted in that it cannot be used for the payment of General Fund expenses. In looking at the Governmental balance sheets on page 21, the Non-spendable and Restricted amounts refer to monies obligated i.e. accounts payable, advances to other funds, encumbrances and special use monies such as Social Services, Public Health and Mental Health.

CASH MANAGEMENT

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

CAPITAL ASSETS RELATED TO GOVERNMENTAL ACTIVITIES

The capital assets related to governmental activities of the County are those fixed assets used in the performance of its general government functions. As of June 30, 2014, the amount in the general fixed asset account group of the County was \$33,073,772. This amount represents the book value of the assets. Of this amount, \$6,678,830 is non-depreciable.

INDEPENDENT AUDIT

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

PROSPECTS FOR THE FUTURE

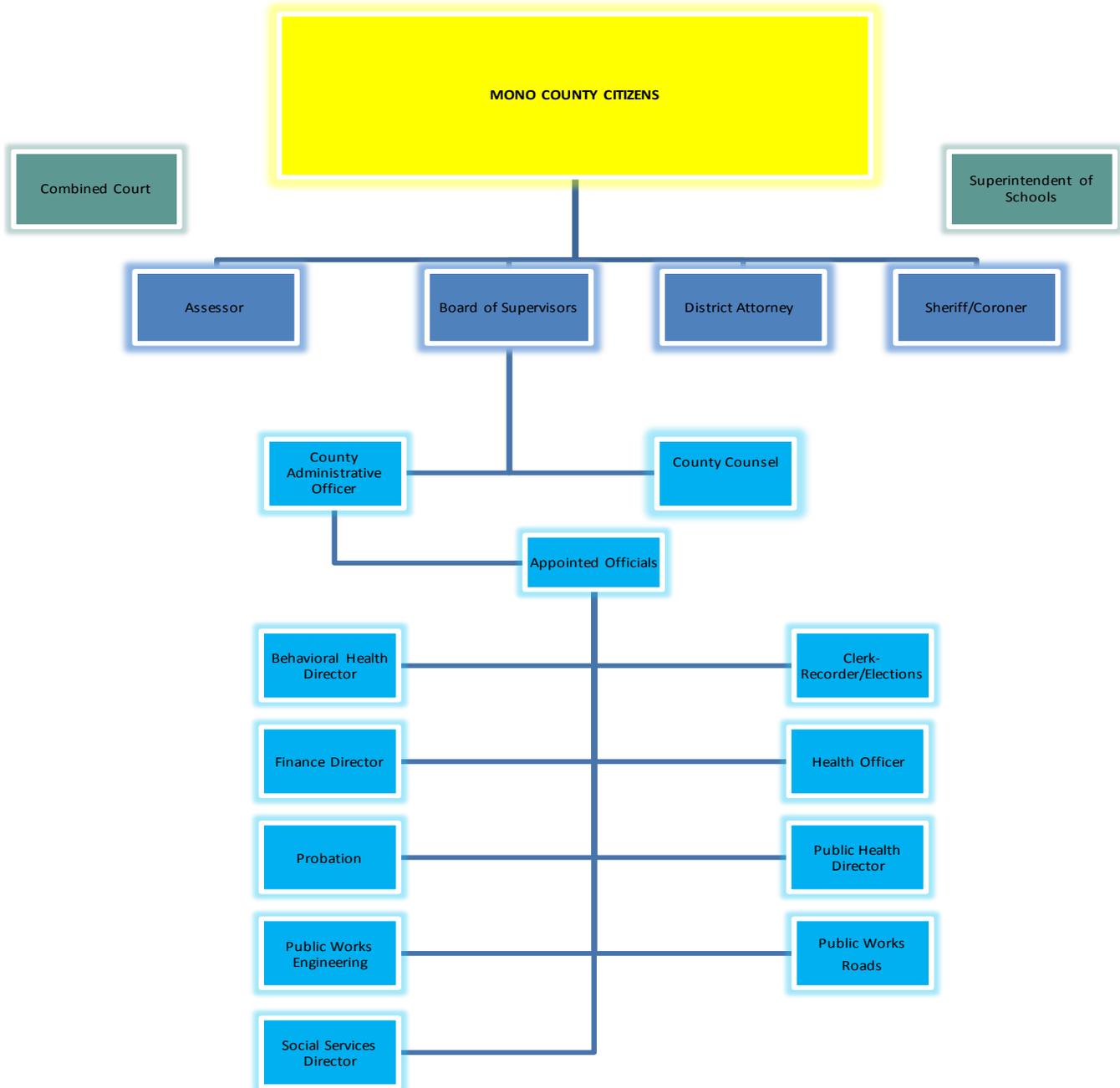
The "budget battle" that has plagued Mono County continues even though Mono County saw a leveling of tax revenues 2013-14 and experienced a very moderate increase in property values for 2014-15. Federal and State revenues have begun to rebound, but the County continues the struggle to keep up with the increasing costs of providing services. In spite of the very modest increase in property taxes in 2014-15, Mono County will have to maintain a tight budget especially in light of uncertain Federal and State program funding.

Respectfully submitted this 23rd day of December, 2014,



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

Mono County Organization Chart Elected and Appointed Officials



COUNTY OF MONO
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2014

DEPARTMENT	DEPARTMENT OFFICIAL
ELECTED OFFICIALS	
Assessor	Robert Musil
Board of Supervisors	
District #1	Larry Johnston, Chairman
District #2	Fred Stump
District #3	Timothy Alpers
District #4	Timothy Fesko, Vice-Chairman
District #5	Byng Hunt
District Attorney	Tim Kendall
Sheriff- Coroner	Ralph Obenberger
APPOINTED OFFICIALS	
County Administrative Officer	James Leddy
County Counsel	Marshall Rudolph
Behavioral Health Director	Robin Roberts
Clerk-Recorder/Clerk of the Board	VACANT
Finance Director	Leslie L. Chapman, CPA
Health Officer	Richard Johnson, MD
Probation Chief	Karin Humiston
Public Health Director	Lynda Salcido
Public Works Director	Jeff Walters
Social Services Director	Kathy Peterson

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Mono (County), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Members of the Board of Supervisors
County of Mono

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
December 23, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2014. 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 \$53,627,954 (net position). Of this amount, \$42,326,225 is invested in Capital Assets net of debt; \$12,664,544 is restricted for various programs; and \$(1,362,815) 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 position increased by \$3,401,639 (6.8%) from the June 30, 2013, report. Anticipating continuing reduced revenues, the Board of Supervisors again held their spending to a minimum, increasing expenditures by only 2.4% (\$1,229,626) at the same time fees, fines and charges for services increased by 11% (\$972,491). Total debt was reduced by \$791,507. This includes both the change in solid waste closure/post closure cost increases and normal debt reduction that occurs when regularly scheduled payments are made.
- As of June 30, 2014, the County's governmental funds reported combined ending fund balances of \$13,969,479, a decrease of \$1,432,470 in comparison with the prior year. This decrease resulted primarily from increases in the net difference in transfers in and out primarily due to the mid-year transfer of \$737,331 to reserves.
- At the end of the current fiscal year, unassigned fund balance for the governmental type funds was \$4,693,890, or 9.5% of total general government expenditures, a 14.0% decrease in unassigned fund balance from last year.
- Total long-term liabilities in the Solid Waste enterprise fund increased by \$200,976 during the fiscal year in spite of loan repayments. The key factor in this increase was the increased closure/post closure costs.
- In September 2010 and September 2011, the Board of Supervisors authorized interest free inter-fund loans from General Reserves to the Solid Waste Enterprise fund in the totaling \$1,950,000 to be repaid over 10 years (final payments due 2021 and 2022). The solid waste enterprise fund has been making the payments as scheduled and the balance owing to the general fund is now \$1,245,000 and is reflected in Internal Balances.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

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

A. Government-Wide Financial Statements

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

COUNTY OF MONO

Management Discussion and Analysis

The **Statement of Net Position** presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities) The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activity of the County includes the Mono County Solid Waste Program, as well as the County's airport fund, cemetery fund and campground fund. In 2009 two internal service funds were created to develop self-sustaining funds for operational and replacement equipment. These two internal service funds, Motor Pool and Copier Pool, are considered governmental activities. At the end of fiscal year 2013 two more internal service funds were established, Tech Refresh and Insurance although the Tech Refresh internal service fund will not become active until 2014-15. These two internal service funds provide for the regular updating of County computer equipment and the distribution of insurance costs, both liability and workers' compensation.

B. Fund Financial Statements

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

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

The County maintains 252 individual governmental funds and 2 treasury funds. On the financial statements for governmental funds, information is presented separately for three major funds: General Government Type Funds, the Road Fund, and the Realignment Fund. Data from the other governmental funds are aggregated into a single column. However, data for each of these non-major governmental funds is provided in the combining statements located in the Required Supplemental Information section of this report.

Proprietary funds are of two types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste program, a major fund, as well as the airport, cemetery and campground funds. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motor pool, copier pool, insurance pool, and for 2014-15 a tech refresh pool. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

COUNTY OF MONO

Management Discussion and Analysis

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 internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

C. Notes to the Financial Statements

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

D. Required Supplementary Information

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

III. FINANCIAL ANALYSIS COUNTY-WIDE

Prior year assets and liabilities are shown below for the purpose of providing comparative data on a countywide level. The net position increased by 2.1 %, and total assets increased by 0.8%. This is a result of overall liabilities dropping 11.2% with the largest drop, 31.9%, occurring in current liabilities. Accounts payable decreased significantly with the completion of projects in the Road Department.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$30,559,260	\$30,670,628	\$ 3,001,695	\$ 2,241,246	\$33,560,955	\$32,911,874
Capital assets	35,400,923	35,334,453	7,025,302	7,164,237	42,426,225	42,498,690
Total Assets	65,960,183	66,005,081	10,026,997	9,405,483	75,987,180	75,410,564
Current and other liabilities	4,240,191	6,132,018	109,735	251,424	4,349,926	6,383,442
Long term liabilities	7,976,739	8,969,222	10,032,561	9,831,585	18,009,300	18,800,807
Total Liabilities	12,216,930	15,101,240	10,142,296	10,083,009	22,359,226	25,184,249
Net investment in capital assets	35,400,923	35,334,453	6,925,302	7,030,904	42,326,225	42,365,357
Restricted	12,664,544	12,731,077	-	-	12,664,544	12,731,077
Unrestricted	5,677,786	2,838,311	(7,040,601)	(7,708,430)	(1,362,815)	(4,870,119)
Total Net Position	53,743,253	50,903,841	(115,299)	(677,526)	53,627,954	50,226,315
Total Liabilities and Net Position	\$65,960,183	\$66,005,081	\$10,026,997	\$ 9,405,483	\$75,987,180	\$75,410,564

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

COUNTY OF MONO

Management Discussion and Analysis

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. The only capital related debt at this time is found in the Solid Waste program. This original \$500,000 interest free loan will be paid off completely in three years.

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

Total governmental net position increased 5.6% over 2012-13. Of the net position, \$8,004,937 (14.9%) of the total governmental activities net position is unrestricted net position and may be used to meet the County's ongoing obligations to citizens and creditors.

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

Statement of Activities

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Program revenues:</u>						
Fees, fines & charges for services	7,228,332	6,139,365	2,575,738	2,692,214	9,804,070	8,831,579
Operating grants	22,395,925	21,557,737	45,215	2,269,348	22,441,140	23,827,085
Capital grants	-	174,680	265,412	-	265,412	174,680
<u>General revenues:</u>						
Property taxes	17,635,489	18,598,557	-	-	17,635,489	18,598,557
Sales and use taxes	646,921	518,192	-	-	646,921	518,192
Other taxes	2,967,837	2,763,087	-	-	2,967,837	2,763,087
Other revenue	24,783	62,478	47,997	47,871	72,780	110,349
Interest/investment earnings	228,882	316,780	33,744	28,732	262,626	345,512
Total Revenues	<u>51,128,169</u>	<u>50,130,876</u>	<u>2,968,106</u>	<u>5,038,165</u>	<u>54,096,275</u>	<u>55,169,041</u>
<u>Expenses:</u>						
General government	12,262,308	6,883,498	-	-	12,262,308	6,883,498
Public protection	16,064,917	19,721,152	-	-	16,064,917	19,721,152
Public ways and facilities	6,637,301	8,026,282	-	-	6,637,301	8,026,282
Health and sanitation	9,004,355	9,742,625	-	-	9,004,355	9,742,625
Public assistance	3,970,208	3,970,541	-	-	3,970,208	3,970,541
Education	35,567	37,758	-	-	35,567	37,758
Culture and recreation	144,042	160,349	-	-	144,042	160,349
Interest and fiscal charges	160,559	171,063	-	-	160,559	171,063
Solid waste landfill	-	-	2,280,854	2,860,020	2,280,854	2,860,020
Airport	-	-	93,883	250,328	93,883	250,328
Cemeteries	-	-	11,879	75,816	11,879	75,816
Campgrounds	-	-	28,763	24,830	28,763	24,830
Total Expenses	<u>48,279,257</u>	<u>48,713,268</u>	<u>2,415,379</u>	<u>3,210,994</u>	<u>50,694,636</u>	<u>51,924,262</u>
Change in net position						
before transfers	2,848,912	1,417,608	552,727	1,827,171	3,401,639	3,244,779
Transfers	(9,500)	(94,225)	9,500	94,225	-	-
Position	<u>2,839,412</u>	<u>1,323,383</u>	<u>562,227</u>	<u>1,921,396</u>	<u>3,401,639</u>	<u>3,244,779</u>
Net position, beginning	50,903,841	49,580,458	(677,526)	(2,598,922)	50,226,315	46,981,536
Net position, ending	<u>\$ 53,743,253</u>	<u>\$ 50,903,841</u>	<u>\$ (115,299)</u>	<u>\$ (677,526)</u>	<u>\$ 53,627,954</u>	<u>\$ 50,226,315</u>

COUNTY OF MONO

Management Discussion and Analysis

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

- Revenues exceeded expenditures by \$3.4 million before transfers.
- Accounts payable significantly decreased by the completion of two major road projects in progress at the end of 2012-13.

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

At June 30, 2014, the County's governmental funds reported combined ending fund balances of \$13,969,479, a decrease of \$1,432,470 (-9.3%) in comparison with the prior year. The decrease is primarily a result of the decreased receivables (\$2.18 million). In addition, \$1.067 million of cash held with others was moved to the internal services funds for insurance as the funds are held for the payment of insurance claims. Approximately 35.5% (a slight increase over last year) of the total governmental fund balance \$4,693,890 constitutes unassigned fund balance, which may be used to meet the County's ongoing obligations to citizens and creditors. The remainder of fund balance is reserved to indicate that it is not available for new spending because it: 1) reflects inventories and the amount due from other funds that are long-term in nature and thus do not represent available spendable resources, 2) liquidates contractual commitments of the prior period, and 3) provides funds for any type of disaster. In addition, funds may not be available to meet general obligations because the terms of the revenue/funds may be either restricted, committed, or assigned by Board of Supervisors or other prevailing law.

The general government is the main operating unit of the County. At June 30, 2014, unassigned fund balance of the general government type funds was \$4,839,922 while total fund balance reached \$7,871,308. As measures of these fund's liquidity, it is useful to note that unassigned fund balance represents 11.9% of total fund expenditures, while total fund balance represents 19.3% of that same amount.

The Road fund had a restricted fund balance of \$41,059 (restricted to road uses), while the total fund balance reached \$425,553 this year. These increases over the prior year were caused by deferred revenue due from other governmental agencies received for the prior year, increased inventories, and a reduction of accounts payable.

The Realignment Fund had a fund balance of \$1,857,378 which was all restricted. This was a \$726,553 increase over the prior year due primarily to an increase in revenues.

Other Governmental fund balance reflects a consolidated fund balance of \$3,815,240. The unassigned fund balance of negative \$146,032 reflects delays in funding reimbursement for expenditure driven programs once the expenditures have been made. The general fund covers this deficit while waiting for reimbursement.

Revenues for government functions totaled approximately \$52,080,698 for fiscal year 2013-14, which represents an increase of 7.3% from fiscal year 2012-13. The greatest single increase in revenues was

COUNTY OF MONO

Management Discussion and Analysis

from intergovernmental revenues, which comprises 44.59% of total revenues, followed by charges for services. While charges for services constitute only 10.99% of total revenues, the County received the second largest increase in revenue in this category.

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

Revenues Classified by Source - Governmental Funds

Revenue Sources	FY 2013-14		FY 2012-13		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	21,250,247	40.80%	21,879,836	45.09%	(629,589)	-2.88%
Licenses and permits	661,900	1.27%	601,613	1.24%	60,287	10.02%
Fines, forfeitures & penalti	836,386	1.61%	909,574	1.87%	(73,188)	-8.05%
Use of money & property	144,979	0.28%	309,255	0.64%	(164,276)	-53.12%
Intergovernmental	23,222,490	44.59%	20,370,593	41.98%	2,851,897	14.00%
Charges for services	5,725,148	10.99%	3,909,227	8.06%	1,815,921	46.45%
Other	239,548	0.46%	541,570	1.12%	(302,022)	-55.77%
Total	<u>\$ 52,080,698</u>	<u>100.00%</u>	<u>\$ 48,521,668</u>	<u>100.00%</u>	<u>\$ 3,559,030</u>	<u>7.33%</u>

Significant changes for major revenue sources are explained below.

- Taxes – Tax revenues covers a multitude of taxes including sales taxes, transient occupancy taxes and property taxes. These taxes suffered from economic downturn, but Mono County turned the corner in 2012-13 with a very modest increase. The decrease that is reflected in the table for 2013-14 is a result of the County withholding and not distributing \$2 million of countywide property tax revenue for the purpose covering refunds of pending appeals. Mono County falls behind the general trend of the state by about 18 months and is beginning to see modest gains. Mono County relies on tourism to bring in sales tax and transient occupancy taxes and while those numbers fell dramatically in recent years, it now has seemed to stabilize.
- Fines, forfeitures and penalties – Mono County fines decreased. Many of the fines, forfeitures and penalties are generated by visiting tourists. This decrease is due to decreases in fines and penalties assessed primarily due by the decrease in tourism.
- Licenses and Permits – the economy is seeing a turn for the better in the rest of the state and is beginning to be felt in Mono County. The 10.02% increase is a reflection of the optimism of the economy in the area.
- Charges for Services – there was a 46.45% increase in charges for services. With the increase in licenses and permits, the planning and legal services that generally accompany the building trade were also up.
- Use of money and property –Interest rates continue to be down and as higher earning investments mature, the overall interest received has taken a hit.
- Intergovernmental Revenues increased in part because 2011 Realignment was effective for a full year and some programs received growth allocations. As realignment is funded by various taxes paid to the state, the increase in what the County receives based upon certain formulas has increased. This reflects an improvement in the economy.

COUNTY OF MONO

Management Discussion and Analysis

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

Expenditure Function	FY 2013-14		FY 2012-13		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	12,191,726	24.60%	6,525,916	13.25%	5,665,810	86.82%
Public protection	16,231,006	32.75%	19,632,037	39.86%	(3,401,031)	-17.32%
Public ways and facilities	7,084,870	14.30%	8,220,412	16.69%	(1,135,542)	-13.81%
Health and Sanitation	9,043,613	18.25%	9,795,300	19.89%	(751,687)	-7.67%
Public assistance	3,993,744	8.06%	4,006,049	8.13%	(12,305)	-0.31%
Education	35,567	0.07%	37,758	0.08%	(2,191)	-5.80%
Culture and recreation	25,316	0.05%	13,930	0.03%	11,386	81.74%
Debt Service						
Principal	548,000	1.11%	502,100	1.02%	45,900	9.14%
Interest	162,451	0.33%	172,795	0.35%	(10,344)	-5.99%
Capital outlay	240,793	0.49%	346,890	0.70%	(106,097)	-30.59%
Total	\$ 49,557,086	100.00%	\$ 49,253,187	100.00%	\$ 303,899	0.62%

Significant changes for major functions are explained below.

- Due to the change in applying A-87 indirect charges, it appears that general government expenditures appear to have skyrocketed, while showing a significant decrease in most all other classifications of expenditures. A-87 indirect services provided by general government departments changed from actually billing internal departments for their services, thus the lack of charging for services such as payroll, accounting and human resources to the various affected departments, the various departments had their expenditures reduced and the departments receiving the indirect expenditure off-set had their expenditures increased. As overall expenditures only increased by 0.62%, the skewing of expenditures is due primarily to indirect cost. 2014-15 will see a more realistic change in expenditures.
- General government – \$5,665,810 increase in expenditures resulted, as mentioned above, the lack of receiving A-87 indirect cost expenditure set-offs.
- Public Protection – \$3,401,031 decrease in expenditures resulted mainly from not being charged A-87 indirect costs, but also from having vacant positions and reducing motor pool expenditures.
- Public ways and facilities – Many road and transportation projects are grant funded. There was a 13.81% decrease as various grant projects had been near completion and the end of the prior fiscal year. While the revenues were not received until the current year, the projects at the time had relatively little new expense in the 2013-14 fiscal year.
- Debt Service was a new category for 2011-12. The County refunded the PERS Side fund late in fiscal year 2012. Fiscal year 2013 saw the first full year of interest and principal payments and every year until the refunded PERS Side fund has been repaid there will be a shift between increased principal payments and interest payments. Principal payments will go up and interest payments will go down.
- Public assistance – FY 2013-14 saw a modest decrease in Public Assistance expenditures in the amount of \$12,305. Public assistance can fluctuate widely depending upon the need in any particular year. While there are normal salary and benefit increases as in all departments, the bulk of expenditures are reflected in the needs of the community at any given time and good management practices. Public assistance was not affected by the A-87 indirect charge billing.

COUNTY OF MONO

Management Discussion and Analysis

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

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The Board adopted their initial budget September 3, 2013, after much hard work and public hearings. This initial adopted budget allowed for revenues of \$38,968,075 and expenditures of \$45,203,892. The gap was met through prior year fund balance and uses of other financing sources. A few minor changes were made throughout the year, but the major changes came at mid-year. At mid-year general fund cuts were made to the budget to save, and transfer into reserves \$787,331 with all but \$50,000 to be used in the 2014-15 budgeting process. At mid-year, the shortfall in taxes caused by the creation of a tax impound account to cover appeals likely to generate refunds, expenditures were severely reduced, with the excess savings over the tax loss transferred to reserves.

During the year, actual General Fund revenues shorted final budgetary estimates by \$280,730 namely because property tax revenues fell short because of the tax impound. Actual expenditures were less than budgetary estimates by \$4,100,293. The net effect of both under-realization of revenues and under-utilization of appropriations resulted in a favorable budgetary variance of \$724,905 once other sources were considered, leaving a positive budgetary fund balance going into FY 2014-15.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County’s investment in capital assets for its Governmental Activities as of June 30, 2014, totals \$35,400,923 (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 governmental net investment in capital assets for the current period was 0.19% (net of accumulated depreciation). More detailed discussion can be found in Note 4 in the Notes to the Financial Statements section in this report. The current year countywide depreciation is \$3,816,248. Business type function assets increased \$55,221 (construction in progress), though with current year depreciation of \$194,156, total assets net of depreciation is \$7,025,302.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,678,830	\$ 6,678,830	\$ 233,335	\$ 233,335	\$ 6,912,165	\$ 6,912,165
Construction in progress	3,348,550	2,571,905	55,221	2,687,530	3,403,771	5,259,435
Infrastructure	85,932,867	83,605,716	-	-	85,932,867	83,605,716
Structures & improvements	17,944,931	17,944,931	7,675,723	4,988,193	25,620,654	22,933,124
Equipment	17,549,696	17,068,688	1,532,463	1,532,463	19,082,159	18,601,151
Intangibles	1,148,577	1,142,537	-	-	1,148,577	1,142,537
Accumulated Depreciation	(97,202,528)	(93,678,154)	(2,471,440)	(2,277,284)	(99,673,968)	(95,955,438)
Total	\$ 35,400,923	\$ 35,334,453	\$ 7,025,302	\$ 7,164,237	\$ 42,426,225	\$ 42,498,690

COUNTY OF MONO

Management Discussion and Analysis

The County elected to report its general infrastructure assets beginning July 1, 2003, and hired a consultant to value the infrastructure. The County has maintained and updated its initial valuation as necessary to keep current. Further details can be found in Note 4 of the financial statements. It is 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, 2014, the County Governmental activities had total long-term liabilities outstanding of \$7,976,739, consisting of \$3,126,732 in compensated absences, \$1,444,407 in potential claims liability and \$3,405,600 in 2012 PERS Side fund Refunding. The Business type activities had \$2,825,200 in 2011 COP Refunding payable, \$100,000 in loans payable and \$7,034,248 in landfill post-closure costs. Additional information on the County's long-term liabilities can be found in Notes 5 and 6 of the financial statements.

VII. ECONOMIC FACTORS AND 2014-15 BUDGET AND RATES

- The unemployment rate for Mono County annualized for 2013 was 8.6 percent. While this is higher than both state's average unemployment rate of 7.3 percent in October 2014, and the United States seasonally adjusted unemployment rate for November 2014, at 5.8 percent for the same period, this information is almost a year behind. The economy and employment statistics have improved, but still lag behind the state. Mono County's employment rate follows tourism activity and tourism has not completely rebounded.
- Property tax values are expected to stabilize and moderately increase for 2014-15 after five years of decline. This decline was the first since 1978 when Proposition 13 first went into effect. There still is very little new construction and the Assessor continues to monitor Prop 8 values. There should be fewer decreases and slow re-growth as defaulted property is resold and property tax appeals settled and as the economy as a whole within the state and nation improves.
- Sales tax and vehicle license fee in-lieu revenues because of funding swaps for the repayment of State debt are expected to remain stable; however, actual property tax receipts are expected only to moderately increase based upon the overall economy. These revenues may disappear next spring if the State repays its obligations for which a percentage of the County's sales tax and vehicle license fees are currently being used.
- The 2014-15 budget projects a 10% increase in health insurance costs (6 months) included in benefits reflecting the escalating health costs nationwide and a slight decrease in dental premiums to work down the balance maintained in our self-insurance dental plan. For the 2014-15 budget, MOU negotiations resulted in employee participation in health benefits as well as salary freezes, layoffs, and furloughs all to be considered to contain costs.
- The 2014-15 will also incorporate a reduction in post-employee benefit costs. As this liability reduces each year, so does the amount needed to budget to cover the required contribution.

These factors plus others were considered in preparing the County's budget for the 2014-15 fiscal year.

During the current fiscal year, the unrestricted net position for general government type funds increased to \$5,677,786. County reserves increased in 2013-14 by \$804,599. The County added \$50,000 to reserves during 2013-14 budget process and expects to maintain those reserves in 2014-15. Another \$737,331 was added to reserves from the mid-year budget cuts, but was used in balancing the 2014-15 budget. Approximately \$419,428 is scheduled for contingencies in the 2014-15 budget.

COUNTY OF MONO

Management Discussion and Analysis

VIII. REQUEST FOR INFORMATION

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

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 14,220,311	1,117,488	\$ 15,337,799
Cash with fiscal agent	168,518	74,296	242,814
Restricted cash	--	2,819,985	2,819,985
Accounts receivable	963,024	177,649	1,140,673
Due from other governments	3,123,341	55,165	3,178,506
Taxes receivable	276,389	--	276,389
Deposits with others	3,596,628	--	3,596,628
Prepaid expenses	19,953	--	19,953
Inventories	385,760	2,112	387,872
Net pension asset	4,295,262	--	4,295,262
Other asset - OPEB	2,265,074	--	2,265,074
Internal balances	1,245,000	(1,245,000)	--
Capital assets:			
Nondepreciable	10,027,380	288,556	10,315,936
Depreciable, net	25,373,543	6,736,746	32,110,289
Total Assets	<u>65,960,183</u>	<u>10,026,997</u>	<u>75,987,180</u>
LIABILITIES			
Accounts payable	319,598	37,848	357,446
Retention payable	97,403	--	97,403
Salaries and benefits payable	2,573,156	51,687	2,624,843
Interest payable	12,048	20,200	32,248
Deposits from others	4,896	--	4,896
Unearned revenue	1,233,090	--	1,233,090
Long-Term Liabilities:			
Portion due or payable within one year:			
Refunded certificates of participation	--	204,600	204,600
Bonds payable	596,300	--	596,300
Loan payable	--	33,333	33,333
Liability for compensated absences	938,020	21,934	959,954
Claims liability	1,444,407	--	1,444,407
Portion due or payable after one year:			
Refunded certificates of participation	--	2,620,600	2,620,600
Bonds payable	2,809,300	--	2,809,300
Loan payable	--	66,667	66,667
Liability for compensated absences	2,188,712	51,179	2,239,891
Closure/post-closure liability	--	7,034,248	7,034,248
Total Liabilities	<u>12,216,930</u>	<u>10,142,296</u>	<u>22,359,226</u>
NET POSITION			
Net investment in capital assets	35,400,923	6,925,302	42,326,225
Restricted for:			
Legally segregated taxes, grants and fees	4,474,027	--	4,474,027
Community development	326,371	--	326,371
General County programs	3,142,688	--	3,142,688
Road projects	41,059	--	41,059
Health services	3,139,171	--	3,139,171
County service areas	1,541,228	--	1,541,228
Unrestricted	5,677,786	(7,040,601)	(1,362,815)
Total Net Position	<u>\$ 53,743,253</u>	<u>\$ (115,299)</u>	<u>\$ 53,627,954</u>

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

COUNTY OF MONO

Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Program Revenues				
	Direct Expenses	Indirect Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General government	\$ 13,181,743	\$ (919,435)	\$ 3,480,214	\$ 6,067,125	\$ --
Public protection	16,080,549	(15,632)	438,653	2,648,266	--
Public ways and facilities	6,567,821	69,480	1,530,122	5,075,134	--
Health and sanitation	8,630,936	373,419	1,741,771	7,446,514	--
Public assistance	3,478,040	492,168	37,522	1,158,886	--
Education	35,567	--	--	--	--
Recreation and culture	144,042	--	50	--	--
Debt service - interest	160,559	--	--	--	--
Total Governmental Activities	48,279,257	--	7,228,332	22,395,925	--
Business-Type Activities:					
Solid Waste	2,280,854	--	2,529,103	25,215	--
Airport	93,883	--	14,319	20,000	265,412
Cemeteries	11,879	--	1,368	--	--
Campgrounds	28,763	--	30,948	--	--
Total Business-type Activities	2,415,379	--	2,575,738	45,215	265,412
Total Mono County	\$ 50,694,636	\$ --	\$ 9,804,070	\$ 22,441,140	\$ 265,412

General Revenues:

Taxes:

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

Unrestricted interest and investment earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,714,969)	\$ --	\$ (2,714,969)
(12,977,998)	--	(12,977,998)
(32,045)	--	(32,045)
183,930	--	183,930
(2,773,800)	--	(2,773,800)
(35,567)	--	(35,567)
(143,992)	--	(143,992)
(160,559)	--	(160,559)
(18,655,000)	--	(18,655,000)
--	273,464	273,464
--	205,848	205,848
--	(10,511)	(10,511)
--	2,185	2,185
--	470,986	470,986
(18,655,000)	470,986	(18,184,014)
17,635,489	--	17,635,489
646,921	--	646,921
2,548,394	--	2,548,394
419,443	--	419,443
228,882	33,744	262,626
24,783	47,997	72,780
(9,500)	9,500	--
21,494,412	91,241	21,585,653
2,839,412	562,227	3,401,639
50,903,841	(677,526)	50,226,315
\$ 53,743,253	\$ (115,299)	\$ 53,627,954

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

THIS PAGE INTENTIONALLY LEFT BLANK

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Balance Sheet
Governmental Funds
June 30, 2014

	<u>General</u>	<u>Road</u>	<u>Realignment</u>	<u>Other Governmental</u>	<u>Total</u>
<u>Assets</u>					
Cash and investments	\$ 7,435,838	\$ 52,590	\$ 1,857,378	\$ 3,977,398	\$ 13,323,204
Accounts receivable	937,358	43	--	25,623	963,024
Due from other governments	2,499,470	497,486	--	126,385	3,123,341
Taxes receivable	276,389	--	--	--	276,389
Due from other funds	1,526,481	--	--	--	1,526,481
Deposits with others	--	--	--	--	--
Prepays	19,953	--	--	--	19,953
Inventories	1,266	384,494	--	--	385,760
Total Assets	<u>\$ 12,696,755</u>	<u>\$934,613</u>	<u>\$ 1,857,378</u>	<u>\$ 4,129,406</u>	<u>\$ 19,618,152</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 223,497	\$ 66,474	\$ --	\$ 16,630	\$ 306,601
Retention payable	--	97,403	--	--	97,403
Salaries and benefits payable	2,328,049	218,278	--	26,829	2,573,156
Due to other funds	--	105,143	--	176,338	281,481
Deposits from others	800	--	--	4,096	4,896
Unearned revenue	1,211,328	21,762	--	--	1,233,090
Total Liabilities	<u>3,763,674</u>	<u>509,060</u>	<u>--</u>	<u>223,893</u>	<u>4,496,627</u>
Deferred Inflows of Resources:					
Unavailable revenue	<u>1,061,773</u>	<u>--</u>	<u>--</u>	<u>90,273</u>	<u>1,152,046</u>
Fund Balances:					
Nonspendable	21,219	384,494	--	--	405,713
Restricted	3,010,167	41,059	1,857,378	3,461,206	8,369,810
Assigned	--	--	--	500,066	500,066
Unassigned	4,839,922	--	--	(146,032)	4,693,890
Total Fund Balances	<u>7,871,308</u>	<u>425,553</u>	<u>1,857,378</u>	<u>3,815,240</u>	<u>13,969,479</u>
Total Liabilities and Fund Balances	<u>\$ 12,696,755</u>	<u>\$934,613</u>	<u>\$ 1,857,378</u>	<u>\$ 4,129,406</u>	<u>\$ 19,618,152</u>

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

COUNTY OF MONO

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2014

Fund Balance - total governmental funds (page 23)	\$ 13,969,479
Amounts reported for governmental activities in the statement of net position is different because:	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Net pension asset	4,295,262
Other post employment benefit asset	2,265,074
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
	34,025,567
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	
	1,152,046
Internal service funds are used by the County to charge the cost of its motor pool and copier pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	4,580,205
Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	
	(12,048)
Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Bonds payable	(3,405,600)
Compensated absences	<u>(3,126,732)</u>
Net position of governmental activities (page 19)	<u>\$ 53,743,253</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, 2014

	General	Road	Realignment	Other Governmental	Total
Revenues:					
Taxes	\$ 21,063,331	\$ --	\$ --	\$ 186,916	\$ 21,250,247
Licenses and permits	657,676	4,224	--	--	661,900
Fines, forfeitures and penalties	604,848	41,550	--	189,988	836,386
Use of money and property	125,356	(9,789)	--	29,412	144,979
Intergovernmental	13,558,723	5,819,324	2,739,990	1,104,453	23,222,490
Charges for services	4,906,902	793,148	--	25,098	5,725,148
Other revenues	45,775	1,420	--	192,353	239,548
Total Revenues	40,962,611	6,649,877	2,739,990	1,728,220	52,080,698
Expenditures:					
Current:					
General government	12,104,519	--	--	87,207	12,191,726
Public protection	15,170,225	--	--	1,060,781	16,231,006
Public ways and facilities	650,894	6,358,361	--	75,615	7,084,870
Health and sanitation	8,874,618	--	--	168,995	9,043,613
Public assistance	3,965,880	--	--	27,864	3,993,744
Education	35,567	--	--	--	35,567
Recreation and culture	25,316	--	--	--	25,316
Debt service:					
Principal	--	--	--	548,000	548,000
Interest	--	--	--	162,451	162,451
Capital outlay	--	--	--	240,793	240,793
Total Expenditures	40,827,019	6,358,361	--	2,371,706	49,557,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,592	291,516	2,739,990	(643,486)	2,523,612
Other Financing Sources (Uses):					
Transfers in	2,080,413	552,500	--	806,322	3,439,235
Transfers out	(5,279,201)	--	(2,013,437)	(103,605)	(7,396,243)
Sale of capital assets	926	--	--	--	926
Total Other Financing Sources (Uses)	(3,197,862)	552,500	(2,013,437)	702,717	(3,956,082)
Net Changes in Fund Balances	(3,062,270)	844,016	726,553	59,231	(1,432,470)
Fund Balances, Beginning of Year	10,933,578	(418,463)	1,130,825	3,756,009	15,401,949
Fund Balances, End of Year	\$ 7,871,308	\$ 425,553	\$ 1,857,378	\$ 3,815,240	\$ 13,969,479

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, 2014

Net change to fund balance - total governmental funds (page 25)		\$ (1,432,470)
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	\$ 3,333,237	
Less: current year depreciation	<u>(2,977,045)</u>	356,192
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(1,072,885)
<p>Long-term debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Principal retirements	<u>548,000</u>	548,000
<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	221,940	
Change in net pension asset	(137,921)	
Change in accrued interest on long-term debt	<u>1,892</u>	85,911
Other post employment benefits are reported as an expenditure when contributions are made in the governmental funds, but are deferred assets for contributions made in excess of required amounts.		598,421
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.		<u>3,756,243</u>
Change in net position of governmental activities (page 20)		<u>\$ 2,839,412</u>

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

COUNTY OF MONO

Statement of Fund Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
					Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 791,799	\$ 234,167	\$ 91,522	\$ 1,117,488	\$ 1,065,625
Cash with fiscal agent	74,296	--	--	74,296	--
Accounts receivable	175,620	15	2,014	177,649	--
Due from other governments	35,165	20,000	--	55,165	--
Deposits with others	--	--	--	--	3,596,628
Inventory	--	2,112	--	2,112	--
Total Current Assets	1,076,880	256,294	93,536	1,426,710	4,662,253
Noncurrent Assets:					
Restricted cash in Treasury	2,819,985	--	--	2,819,985	--
Capital assets:					
Non-depreciable	--	288,556	--	288,556	--
Depreciable, net	765,538	5,971,208	--	6,736,746	1,375,356
Total Noncurrent Assets	3,585,523	6,259,764	--	9,845,287	1,375,356
Total Assets	4,662,403	6,516,058	93,536	11,271,997	6,037,609
LIABILITIES					
Current Liabilities:					
Accounts payable	36,050	173	1,625	37,848	12,997
Salaries and benefits payable	51,687	--	--	51,687	--
Interest payable	20,200	--	--	20,200	--
Due to other funds	1,245,000	--	--	1,245,000	--
Refunded certificates of participation	204,600	--	--	204,600	--
Loan payable	33,333	--	--	33,333	--
Compensated absences	21,934	--	--	21,934	--
Total Current Liabilities	1,612,804	173	1,625	1,614,602	12,997
Noncurrent Liabilities:					
Refunded certificates of participation	2,620,600	--	--	2,620,600	--
Loan payable	66,667	--	--	66,667	--
Compensated absences	51,179	--	--	51,179	--
Claims liability	--	--	--	--	1,444,407
Closure and postclosure liability	7,034,248	--	--	7,034,248	--
Total Noncurrent Liabilities	9,772,694	--	--	9,772,694	1,444,407
Total Liabilities	11,385,498	173	1,625	11,387,296	1,457,404
NET POSITION					
Net investment in capital assets	665,538	6,259,764	--	6,925,302	1,375,356
Unrestricted	(7,388,633)	256,121	91,911	(7,040,601)	3,204,849
Total Net Position	\$(6,723,095)	\$6,515,885	\$ 91,911	\$ (115,299)	\$ 4,580,205

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

COUNTY OF MONO

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 2,529,103	\$ 14,319	\$ 32,316	\$ 2,575,738	\$ 757,149
Other	--	--	11,153	11,153	\$ --
Total Operating Revenues	<u>2,529,103</u>	<u>14,319</u>	<u>43,469</u>	<u>2,586,891</u>	<u>757,149</u>
Operating Expenses:					
Salaries and benefits	664,089	--	--	664,089	--
Services and supplies	914,165	60,536	40,642	1,015,343	374,714
Claims expense	--	--	--	--	36,413
Closure and postclosure costs	413,461	--	--	413,461	--
Depreciation and amortization	160,809	33,347	--	194,156	645,047
Total Operating Expenses	<u>2,152,524</u>	<u>93,883</u>	<u>40,642</u>	<u>2,287,049</u>	<u>1,056,174</u>
Operating Income (Loss)	<u>376,579</u>	<u>(79,564)</u>	<u>2,827</u>	<u>299,842</u>	<u>(299,025)</u>
Non-Operating Revenue (Expenses):					
Interest income	30,553	2,390	801	33,744	83,903
Interest expense	(128,330)	--	--	(128,330)	--
Operating grants	25,215	20,000	--	45,215	--
Miscellaneous	36,844	--	--	36,844	23,857
Total Non-Operating Revenue (Expenses)	<u>(35,718)</u>	<u>22,390</u>	<u>801</u>	<u>(12,527)</u>	<u>107,760</u>
Income (Loss) Before Capital Contributions and Transfers	340,861	(57,174)	3,628	287,315	(191,265)
Capital contributions	--	265,412	--	265,412	--
Transfers in	--	--	9,500	9,500	3,947,508
Change in Net Position	340,861	208,238	13,128	562,227	3,756,243
Net Position - Beginning of Year, restated	<u>(7,063,956)</u>	<u>6,307,647</u>	<u>78,783</u>	<u>(677,526)</u>	<u>823,962</u>
Net Position - End of Year	<u><u>\$ (6,723,095)</u></u>	<u><u>\$ 6,515,885</u></u>	<u><u>\$ 91,911</u></u>	<u><u>\$ (115,299)</u></u>	<u><u>\$ 4,580,205</u></u>

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

COUNTY OF MONO

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
					Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from customers	\$ 2,571,858	\$ 14,694	\$ 44,387	\$ 2,630,939	\$ --
Cash receipts from internal fund services provided	--	--	--	--	757,149
Cash paid to suppliers for goods and services	(922,818)	(60,536)	(43,275)	(1,026,629)	(279,177)
Cash paid to employees for services	(649,853)	--	--	(649,853)	--
Net Cash Provided (Used) by Operating Activities	999,187	(45,842)	1,112	954,457	477,972
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Due to other funds	1,245,000	--	9,500	1,254,500	--
Interfund advance paid to the General Fund	(1,440,000)	--	--	(1,440,000)	--
Miscellaneous	36,844	--	--	36,844	23,857
Operating grants	25,215	20,000	--	45,215	--
Repayment of debt not attributable to capital purposes	(199,400)	--	--	(199,400)	--
Interest payments and related fiscal charges	(129,755)	--	--	(129,755)	--
Net Cash Provided (Used) by Noncapital Financing Activities	(462,096)	20,000	9,500	(432,596)	23,857
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	--	245,512	--	245,512	--
Payments related to the acquisition of capital assets	--	(171,354)	--	(171,354)	(362,531)
Principal repayments related to capital purposes	(33,333)	--	--	(33,333)	--
Sale of capital assets	--	--	--	--	7,206
Net Cash Provided (Used) by Capital and Related Financing Activities	(33,333)	74,158	--	40,825	(355,325)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (paid)	30,553	2,390	801	33,744	83,903
Net Cash Provided (Used) by Investing Activities	30,553	2,390	801	33,744	83,903
Net Increase (Decrease) in Cash and Cash Equivalents	534,311	50,706	11,413	596,430	230,407
Cash and Cash Equivalents, Beginning of Year	3,151,769	183,461	80,109	3,415,339	835,218
Cash and Cash Equivalents, End of Year	\$ 3,686,080	\$ 234,167	\$ 91,522	\$ 4,011,769	\$ 1,065,625
Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Position					
Cash and investments	791,799	234,167	91,522	\$ 1,117,488	897,107
Cash with fiscal agent	74,296	--	--	74,296	168,518
Restricted cash in Treasury	2,819,985	--	--	2,819,985	--
Total Cash and Cash Equivalents	\$ 3,686,080	\$ 234,167	\$ 91,522	\$ 4,011,769	\$ 1,065,625

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, 2014

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
					Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 376,579	\$ (79,564)	\$ 2,827	\$ 299,842	\$ (299,025)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	160,809	33,347	--	194,156	645,047
Changes in assets and liabilities:					
(Increase) decrease in:					
Receivables	49,588	375	918	50,881	--
Deposits with others	--	--	--	--	350,880
Increase (decrease) in:					
Accounts payable	(8,653)	--	(2,633)	(11,286)	3,613
Accrued salaries and benefits	(6,012)	--	--	(6,012)	--
Unavailable revenue	(6,833)	--	--	(6,833)	--
Claims liability	--	--	--	--	(222,543)
Closure and postclosure liability	413,461	--	--	413,461	--
Liability for compensated absences	20,248	--	--	20,248	--
Net Cash Provided (Used) by Operating Activities	<u>\$ 999,187</u>	<u>\$ (45,842)</u>	<u>\$ 1,112</u>	<u>\$ 954,457</u>	<u>\$ 477,972</u>

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

COUNTY OF MONO

Statement of Fiduciary Net Position
June 30, 2014

	Investment Trust Fund	Agency Funds
<u>Assets</u>		
Pooled cash and investments	\$ 40,116,275	\$ 5,300,957
Total Assets	<u>\$ 40,116,275</u>	<u>\$ 5,300,957</u>
<u>Liabilities</u>		
Agency funds held for others	\$ --	\$ 5,300,957
Total Liabilities	<u>--</u>	<u>5,300,957</u>
<u>Net Position</u>		
Net position held in trust for investment pool participants	<u>40,116,275</u>	<u>--</u>
Total Net Position	<u>\$ 40,116,275</u>	<u>\$ --</u>

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

COUNTY OF MONO

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	Investment Trust Fund
<u>Additions</u>	
Contributions to pooled investments	\$ 53,320,075
Net investment income:	
Investment income	<u>397,109</u>
Total Additions	<u>53,717,184</u>
<u>Deductions</u>	
Distributions from pooled investments	<u>60,573,101</u>
Total Deductions	<u>60,573,101</u>
Change in net position	(6,855,917)
Net Position - Beginning of Year	<u>46,972,192</u>
Net Position - End of Year	<u>\$ 40,116,275</u>

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

NOTES TO FINANCIAL STATEMENTS

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **The Reporting Entity**

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

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

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

Blended Component Units

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

Discretely Presented Component Units

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

B. **Basis of Presentation**

Government-Wide Financial Statements

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

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

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

Government-Wide Financial Statements (continued)

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

The County reports the following additional fund types:

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

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

Fund Financial Statements (continued)

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

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

C. **Basis of Accounting**

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

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

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

D. **Cash and Investments**

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

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

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

E. Restricted Cash

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

F. Inventory

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

G. Receivables

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

H. Capital Assets

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

The estimated useful lives are as follows:

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

The County has four networks of infrastructure assets – roads, lighting, drainage, and flood control.

I. Unavailable Revenue and Unearned Revenue

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

J. Compensated Absences

Under the terms of union contracts, County employees are granted vacation and sick leave in varying amounts depending upon their respective bargaining unit. In the event of termination or death, an employee, or the employee's estate, is compensated for 100 percent of accumulated vacation up to a maximum of 2.5 times the normal annual leave. 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 30% of the accumulated balance is paid out the following year.

K. Interfund Transactions

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

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

L. Property Tax Revenue

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

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

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

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

COUNTY OF MONO

Notes to the Financial Statements For the Year Ended June 30, 2014

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

M. Grant Revenues

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

N. Net Position/Fund Balance

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

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

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for governmental funds consist of the following categories:

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

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

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

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

O. **Estimates**

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

NOTE 2: **DEFICIT FUND EQUITY**

The following funds had deficit fund balances/net position at June 30, 2014, as follows:

Fund	Deficit
Special Revenue Funds:	
Tobacco	\$ 32,838
Bioterrorism	113,194
Enterprise Funds:	
Solid Waste	6,723,095

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

NOTE 3: **CASH AND INVESTMENTS**

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

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

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (continued)

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

At June 30, 2014, total County cash and investments were as follows:

Cash on hand	\$ 994
Imprest cash	770
Deposits in bank	<u>2,686,569</u>
 Total	 <u>2,688,333</u>
 Investments:	
In Treasurer's pool	60,886,683
With fiscal agents external to the pool	<u>242,814</u>
	<u>61,129,497</u>
 Total Cash and Investments	 <u>\$ 63,817,830</u>

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

Primary government	\$ 18,400,598
Investment trust fund	40,116,275
Agency funds	<u>5,300,957</u>
 Total	 <u>\$ 63,817,830</u>

Investments

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Federal Agency Obligations	5 years	None	None
U.S. Treasury Bills	5 years	None	None
Local Agency Bonds and Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper - Selected Agencies	270 days	10%	10%
Commercial Paper - Other Agencies	270 days	10%	10%
Negotiable Certificates of Deposit	5 years	10%	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	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program	N/A	None	None

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (continued)

Investments (continued)

At June 30, 2014, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Fair Value</u>	<u>Cost</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
Federal Agency Issues - Coupon	.50% - 1.25%	3/20/16 - 6/4/18	\$ 31,380,000	\$ 31,310,578	\$ 31,366,563	3.38
Medium Term Corporate Bonds	1.0% - 6.2%	7/19/13 - 5/3/18	6,500,000	6,526,345	6,538,606	0.87
CD's	.75% - 1.25%	9/19/14 - 9/19/16	2,250,000	2,260,370	2,250,000	1.03
Municipal Bonds	.80% - 5.09%	9/1/13 - 9/1/17	6,750,000	6,825,885	6,824,441	1.69
LAIF	Variable	On Demand	13,907,073	13,907,073	13,907,073	0.00
Total investments in investment pool			<u>\$ 60,787,073</u>	<u>\$ 60,830,251</u>	<u>\$ 60,886,683</u>	2.02
Investments outside Investment Pool						
Primary Government:						
<i>Cash held with fiscal agent</i>						
Money Market Mutual Funds	Variable	On Demand	<u>\$ 242,814</u>	<u>\$ 242,814</u>	<u>\$ 242,814</u>	

The fair value of the investments is obtained by the County's safekeeping agent. At June 30, 2014, the difference between the cost and fair value of cash and investments was not material (fair value was 99.91% of carrying value). The County is reporting its cash and investments at cost.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to two years or less in accordance with its investment policy. At June 30, 2014, the County's weighted average exceeded its policy by 0.02 year. This has been corrected and as of the last quarterly report (September 30, 2014) the WAM was at 1.82 years.

Credit Risk

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

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2014.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (continued)

Concentration of Credit Risk (continued)

	<u>Quality Rating Range</u>	<u>% of Portfolio</u>
Municipal Bonds	AAA to A1	11.22%
Federal Agency Issues - Coupon	AAA to AA+	51.47%
Local Agency Investment Fund (LAIF)	Unrated	22.86%
Negotiable CDs	Unrated	3.72%
Medium Term Corporate Notes	AAA to A1	10.73%
Total		<u>100.00%</u>

At June 30, 2014, the County had the following investments in any one issuer that represent 5 percent or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Federal Home Loan Bank	13.35%	\$ 8,129,664
Federal Home Loan Mortgage Corporation	8.61%	5,243,303
Federal National Mortgage Association	26.27%	<u>15,996,464</u>
Total		<u>\$ 29,369,431</u>

Custodial Credit Risk

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

Local Agency Investment Fund

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

At June 30, 2014, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$13,907,013, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$64.8 billion. Of that amount, 98.14% was invested in structured notes and asset-backed securities with the remaining 1.86% invested in other non-derivative financial products.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2014:

Statement of Net Position

Net position held for pool participants	<u>\$ 63,575,016</u>
Equity of external pool participants	40,116,275
Equity of internal pool participants	23,458,741
Total net position	<u>\$ 63,575,016</u>

Statement of Changes in Net Position

Net position at July 1, 2013	66,725,994
Net change in investments by pool participants	<u>(3,150,978)</u>
Net position at June 30, 2014	<u>\$ 63,575,016</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2014
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 6,678,830	\$ --	\$ --	\$ --	\$ 6,678,830
Construction in progress	2,571,905	1,912,979	--	(1,136,334)	3,348,550
Total capital assets, not being depreciated	<u>9,250,735</u>	<u>1,912,979</u>	<u>--</u>	<u>(1,136,334)</u>	<u>10,027,380</u>
Capital assets, being depreciated:					
Infrastructure	83,605,716	1,190,817	--	1,136,334	85,932,867
Structures and improvements	17,944,931	--	--	--	17,944,931
Equipment	17,068,688	639,606	(158,598)	--	17,549,696
Intangibles	1,142,537	6,040	--	--	1,148,577
Total capital assets, being depreciated	<u>119,761,872</u>	<u>1,836,463</u>	<u>(158,598)</u>	<u>1,136,334</u>	<u>122,576,071</u>
Less accumulated depreciation for:					
Infrastructure	(72,319,555)	(2,035,290)	--	--	(74,354,845)
Structures and improvements	(6,940,338)	(482,556)	--	--	(7,422,894)
Equipment	(13,517,601)	(958,565)	97,718	--	(14,378,448)
Intangibles	(900,660)	(145,681)	--	--	(1,046,341)
Total accumulated depreciation	<u>(93,678,154)</u>	<u>(3,622,092)</u>	<u>97,718</u>	<u>--</u>	<u>(97,202,528)</u>
Total capital assets, being depreciated, net	<u>26,083,718</u>	<u>(1,785,629)</u>	<u>(60,880)</u>	<u>1,136,334</u>	<u>25,373,543</u>
Governmental activities capital assets, net	<u>\$ 35,334,453</u>	<u>\$ 127,350</u>	<u>\$ (60,880)</u>	<u>\$ --</u>	<u>\$ 35,400,923</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 233,335	\$ --	\$ --	\$ --	\$ 233,335
Construction in progress	2,687,530	55,221	--	(2,687,530)	55,221
Total capital assets, not being depreciated	<u>2,920,865</u>	<u>55,221</u>	<u>--</u>	<u>(2,687,530)</u>	<u>288,556</u>
Capital assets, being depreciated:					
Structures and improvements	4,988,193	--	--	2,687,530	7,675,723
Equipment	1,718,923	--	--	--	1,718,923
Total capital assets, being depreciated	<u>6,707,116</u>	<u>--</u>	<u>--</u>	<u>2,687,530</u>	<u>9,394,646</u>
Less accumulated depreciation for:					
Structures and improvements	(765,905)	(191,749)	--	--	(957,654)
Equipment	(1,697,839)	(2,407)	--	--	(1,700,246)
Total accumulated depreciation	<u>(2,463,744)</u>	<u>(194,156)</u>	<u>--</u>	<u>--</u>	<u>(2,657,900)</u>
Total capital assets, being depreciated, net	<u>4,243,372</u>	<u>(194,156)</u>	<u>--</u>	<u>2,687,530</u>	<u>6,736,746</u>
Business-type activities capital assets, net	<u>\$ 7,164,237</u>	<u>\$ (138,935)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,025,302</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 185,147
Public protection	157,829
Public ways and facilities	2,469,156
Health and sanitation	41,960
Public assistance	4,227
Recreation and culture	118,726
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset	<u>645,047</u>
 Total Depreciation Expense - Governmental Functions	 <u>\$ 3,622,092</u>

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

Solid Waste	\$ 33,347
Airport	<u>160,809</u>
 Total Depreciation Expense - Business-Type Functions	 <u>\$ 194,156</u>

NOTE 5: **LONG-TERM LIABILITIES**

Operating Leases

The County has commitments under long-term operating lease agreements for leased office space. Total rent expense under operating lease agreements during the year ended June 30, 2014 was approximately \$1,061,456.

The minimum rental payments required under the operating lease commitments at June 30, 2014, was as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2015	\$ 932,407
2016	940,799
2017	949,317
2018	957,963
2019	966,738
2020	<u>293,641</u>
	<u>\$ 5,040,865</u>

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

The following is a summary of long-term liabilities transactions for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Amounts Due Within One Year
Governmental Activities					
Bonds payable	\$ 3,953,600	\$ --	\$ (548,000)	\$ 3,405,600	\$ 596,300
Compensated absences	3,348,672	1,962,235	(2,184,175)	3,126,732	938,020
Claims liability	1,666,950	343,494	(566,037)	1,444,407	1,444,407
Total Governmental Activities Long-term liabilities	\$ 8,969,222	\$ 2,305,729	\$ (3,298,212)	\$ 7,976,739	\$ 2,978,727
Business-type Activities					
Refunded certificates of participation	\$ 3,024,600	\$ --	\$ (199,400)	\$ 2,825,200	\$ 204,600
Loans payable	133,333	--	(33,333)	100,000	33,333
Compensated absences	52,865	40,164	(19,916)	73,113	21,934
Landfill postclosure cost	6,620,787	413,461	--	7,034,248	--
Total Business-type Activities Long-term liabilities	\$ 9,831,585	\$ 453,625	\$ (252,649)	\$ 10,032,561	\$ 259,867

Claims and judgments are paid from the self-insurance fund held by a third party administrator and County funds are charged directly for their appropriate insurance cost. 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, 2014, annual debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2015	\$ 596,300	\$ 138,460
2016	647,700	113,220
2017	702,100	85,809
2018	762,900	52,562
2019	116,300	30,921
2020-2023	580,300	64,253
	\$ 3,405,600	\$ 485,225

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

Year Ending June 30	Business-Type Activities			
	Certificates of Participation		Loans Payable	
	Principal	Interest	Principal	Interest
2015	\$ 204,600	\$ 121,202	\$ 33,333	\$ --
2016	214,600	112,424	33,333	--
2017	223,300	103,218	33,334	--
2018	236,800	93,638	--	--
2019	245,200	83,480		
2020-2024	1,384,600	250,786		
2025	316,100	13,560		
	<u>\$ 2,825,200</u>	<u>\$ 778,308</u>	<u>\$ 100,000</u>	<u>\$ --</u>

Long-term debt at June 30, 2014, consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2014
<u>Governmental activities</u>						
2012 PERS Side Fund Refunding (to refund unfunded accrued liability for the County's retirement plan)	02/12	02/18 - 02/23	4.36%	\$116,300 - \$762,900	<u>\$ 4,612,900</u>	<u>\$ 3,405,600</u>
<u>Business-type activities</u>						
2011 Refunding of COPS 2001A (to refund 2001 Series A Certificates of Participation; to finance closure of four County landfills)	03/11	05/11 - 05/25	4.29%	\$189,000 - \$316,100	3,609,000	2,825,200
Note Payable (to finance capital improvements at the Bridgeport Landfill facility)	01/02	06/03 - 06/17	0.00%	\$33,333	<u>500,000</u>	<u>100,000</u>
Total business-type activities					<u>\$ 4,109,000</u>	<u>\$ 2,925,200</u>

NOTE 6: **CLOSURE AND POSTCLOSURE LIABILITY**

The County of Mono has six landfill sites. State and federal laws and regulations require the County to perform certain closure and postclosure maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an expenditure in each year based on landfill capacity used as of each balance sheet date. The \$7,034,248 reported as closure and postclosure liability in the Enterprise Fund at June 30, 2014, represents the cumulative amount reported to date based on the following estimated percentages of capacity applied to the estimated closure and postclosure care costs:

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 6: CLOSURE AND POSTCLOSURE LIABILITY (continued)

Landfill Site	Estimated Closure Costs	Estimated Postclosure Costs	Total Estimated Cost	Estimated Total Capacity (Cubic Yards)	Remaining Capacity (Cubic Yards)	Estimated Capacity Used (Cubic Yards)	Estimated Percentage of Capacity Used through June 30, 2014	Landfill Closure and Postclosure Liability at June 30, 2014
Benton Crossing	\$ 4,434,898	\$ 2,112,149	\$ 6,547,047	2,253,100	1,052,024	1,201,076	53.31%	\$ 3,490,081
Pumice Valley	1,302,412	1,515,895	2,818,307	347,112	232,851	114,261	32.92%	927,720
Walker	1,509,615	1,137,000	2,646,615	340,716	277,333	63,383	18.60%	492,347
Benton*	--	741,600	741,600	--	--	--	0.00%	741,600
Bridgeport*	--	835,000	835,000	--	--	--	0.00%	835,000
Chalfant*	--	547,500	547,500	--	--	--	0.00%	547,500
Total	\$ 7,246,925	\$ 6,889,144	\$ 14,136,069	2,940,928	1,562,208	1,378,720	46.88%	\$ 7,034,248

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

The County will recognize the remaining estimated cost of closure and postclosure care of \$7,034,248 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 2014.

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, 2014, cash and investments of \$2,819,985 were held as restricted cash for these purposes. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenues. The County has elected to utilize the Pledge of Revenue financial assurance mechanism.

NOTE 7: INTERFUND TRANSACTIONS

Transfers:

Transfer from	Transfer to	Amount
General Fund	Road	\$ 552,500
	Insurance Fund	3,947,508
	Nonmajor Governmental Funds	769,693
	Nonmajor Enterprise Funds	9,500
		<u>5,279,201</u>
Realignment Fund	General Fund	2,006,808
	Nonmajor Governmental Funds	6,629
		<u>2,013,437</u>
Nonmajor Governmental Funds	General Fund	73,605
	Nonmajor Governmental Funds	30,000
		<u>103,605</u>
	Total	\$ 7,396,243

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 7: INTERFUND TRANSACTIONS (continued)

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds:

Table with 3 columns: Receivable Fund, Payable Fund, and Amount. It lists General Fund as receivable and Solid Waste Fund, Road Fund, and Nonmajor Governmental Funds as payable, with a total amount of \$1,526,481.

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

NOTE 8: DEFINED BENEFIT PENSION PLAN

A. Plan Description

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

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.

C. Annual Pension Cost

For the fiscal year ended June 30, 2014, the County's annual pension cost of \$4,219,782 for PERS was equal to the County's required and actual contributions plus the amortization of the pension asset.

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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 8: DEFINED BENEFIT PENSION PLAN (continued)

C. Annual Pension Cost (continued)

The County's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2014, were as follows:

Annual required contribution (County fiscal year basis)	<u>\$ 4,081,861</u>
Annual pension cost (APC)	4,219,782
Contributions made	<u>4,081,861</u>
Increase (decrease) in pension asset	(137,921)
Net pension asset, beginning of year	<u>4,433,183</u>
Net pension asset, end of year	<u><u>\$ 4,295,262</u></u>

The following table shows the County's annual pension cost and the percentage contributed for the fiscal year 2013-2014 and each of the two preceding fiscal years:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
2012	\$ 4,414,578	\$ 8,938,234	202%	\$ 4,523,656
2013	4,007,305	3,916,832	98%	4,433,183
2014	4,219,782	4,081,861	97%	4,295,262

D. Funded Status and Funding Progress

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

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
---------------------------------	--	------------------------------	--	---------------------	------------------------	---

Miscellaneous Plan

06/30/13	\$ 89,125	\$ 62,641	\$ 26,483	70.3%	\$ 12,981	204.0%
----------	-----------	-----------	-----------	-------	-----------	--------

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.

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

D. **Funded Status and Funding Progress** (continued)

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

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

Plan Description

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

The County provides post-retirement health care benefits, in accordance with County employment contracts, to all employees who retire, on a tiered basis. Employees hired prior to January 1, 2002, who have attained the age of 55 and have accrued a minimum of 20 years of service are entitled to post-retirement health care benefits. (In this category, age and time are tiered between age 50 and 55 with between 5 and 20 years of service depending upon the date of hire). Employees hired after January 1, 2002, are not eligible for post-retirement health care benefits. Instead, employees hired after this date shall be eligible to receive County contributions into an Internal Revenue Code Section 401(a) Plan established by the County. Currently, 159 retirees and 55 employees, not yet retired, meet the eligibility requirements for the pre-2002 hire health care retirement benefits. This is a closed group with no new members added or eligible. The County has a two-part system for acknowledging this liability. 1) The County budgets for the full 3% match of employee salaries to match the 3% maximum payable under the 401(a) plan. The excess not paid to participating employees remains in the retirement trust fund to pay on-going retiree costs. 2) The County budgets for the ARC with payments first going to fund current retiree costs and the remainder in trust to fund future retiree costs.

Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the County. The contribution is based on the difference between what the County paid directly to or on behalf of eligible employees and the full value of the annual required contributions (ARC). For fiscal year 2013-14, the County contributed \$2,585,245, or 130% of the ARC, to the Post Employment Benefit Plan.

Annual OPEB Cost and Net OPEB Obligation

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

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

Annual Required Contribution	\$ 1,968,353
Interest on prior year Net OPEB obligation	(112,499)
Adjustment to ARC	<u>130,970</u>
Annual OPEB cost	1,986,824
Contributions made	<u>(2,585,245)</u>
Change in OPEB benefit	(598,421)
Net OPEB asset - beginning of year	<u>(1,666,653)</u>
Net OPEB asset - end of year	<u><u>\$ (2,265,074)</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/12	\$ 2,443,286	107%	\$ 953,498
6/30/13	1,977,787	136%	1,666,653
6/30/14	1,986,824	130%	2,265,074

Funded Status and Funding Progress

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

Actuarial accrued liability (AAL)	\$ 25,894,516
Actuarial value of plan assets	<u>11,907,624</u>
Unfunded actuarial accrued liability (UAAL)	13,986,892
 Funded ratio (actuarial value of plan assets/AAL)	 45.99%
 Covered payroll (active Plan members)	 n/a
UAAL as a percentage of covered payroll	n/a

Actuarial Methods and Assumptions

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 9: 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, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.25% investment rate of return, an inflation rate of 2.5% per year, and assumed medical inflation of 9% graded down to 4% 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, 2014, was 24 years.

NOTE 10: NET POSITION/FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned. A detailed schedule of fund balances at June 30, 2014 is as follows:

	General Fund	Road Fund	Other Governmental Funds	Total
Nonspendable:				
Prepays and inventory	\$ 21,219	\$ 384,494	\$ --	\$ 405,713
Total Nonspendable	<u>21,219</u>	<u>384,494</u>	<u>--</u>	<u>405,713</u>
Restricted for:				
Road projects	--	41,059	--	41,059
Health services	3,010,167	--	129,004	3,139,171
County service areas	--	--	1,541,228	1,541,228
Community development	--	--	326,371	326,371
Various grants programs	--	--	3,321,981	3,321,981
Total Restricted	<u>3,010,167</u>	<u>41,059</u>	<u>5,318,584</u>	<u>8,369,810</u>
Assigned:				
Capital projects	--	--	483,919	483,919
Debt service	--	--	16,147	16,147
Total Assigned	<u>--</u>	<u>--</u>	<u>500,066</u>	<u>500,066</u>
Unassigned	<u>4,839,922</u>	<u>--</u>	<u>(146,032)</u>	<u>4,693,890</u>
Total Fund Balance	<u>\$ 7,871,308</u>	<u>\$ 425,553</u>	<u>\$ 5,672,618</u>	<u>\$ 13,969,479</u>

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 11: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions injuries to employees, and natural disasters. The County’s Insurance Internal Service Fund is used to account for and finance its uninsured risks of loss for general liability and workers’ compensation. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$125,000 for each workers’ compensation claim and \$25,000 for each general liability claim, up to four claims per year. The County is a member of the Trindel Insurance Fund. Trindel Insurance Fund (JPA) is classified as a claims-servicing or account pool, which results in the County retaining the risk of loss and being considered self-insured with regard to liability coverage for the first \$100,000 of general liability per occurrence. The County maintains reserves on hand with the Trindel Insurance Fund for all known claims as calculated by the actuary and a prudent reserve for the deductibles for future claims. At June 30, 2014, the County held deposits with the Trindel Insurance Fund of \$3,596,628.

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 \$1,444,407 reported in the government-wide statements at June 30, 2014, 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, 2013 and 2014 were as follows:

Fiscal Year Ended	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2013	\$ 1,520,753	\$ 726,936	\$ 580,739	\$ 1,666,950
2014	1,666,950	343,494	566,037	1,444,407

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

COUNTY OF MONO

Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 12: **JOINT AGENCIES**

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

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

NOTE 13: **COMMITMENTS AND CONTINGENCIES**

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

NOTE 14: **NEW ACCOUNTING PRONOUNCEMENTS**

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

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

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, is effective for periods beginning after December 15, 2013.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, is effective for periods beginning after December 15, 2013.

NOTE 15: **PRIOR PERIOD ADJUSTMENT**

As of June 30, 2014, a prior period adjustment of \$1,666,950 in the internal service insurance fund reflects the reclassification of claims liability to this new fund. Previously the liability had been reported on the government-wide statements only.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2014

SCHEDULE OF FUNDING PROGRESS – RETIREMENT PLAN

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

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
<u>Miscellaneous Plan</u>						
6/30/2011	\$ 80,865	\$ 63,118	\$ 17,747	78.1%	\$ 13,860	128.0%
6/30/2012	84,619	66,804	17,815	78.9%	13,022	136.8%
6/30/2013	89,125	62,641	26,484	70.3%	12,981	204.0%

Safety Plan

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

SCHEDULE OF FUNDING PROGRESS – POSTEMPLOYMENT HEALTH PLAN

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Percentage of Covered Payroll</u>
01/01/10	\$ 27,643	\$ 3,567	\$ 24,076	12.9%	n/a	n/a
01/01/12	26,703	7,315	19,388	27.4%	n/a	n/a
1/1/2014	25,895	11,908	13,987	46.0%	n/a	n/a

COUNTY OF MONO

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 21,055,854	\$ 21,055,854	\$ 21,063,331	\$ 7,477
Licenses and permits	598,288	598,288	657,676	59,388
Fines, forfeits and penalties	710,900	532,950	604,848	71,898
Revenue from use of money and property	100,420	100,420	125,356	24,936
Aid from other governments	12,020,923	13,232,772	13,558,723	325,951
Charges for services	3,274,480	4,526,785	4,906,902	380,117
Miscellaneous revenue	1,207,210	1,196,272	45,775	(1,150,497)
Total Revenues	<u>38,968,075</u>	<u>41,243,341</u>	<u>40,962,611</u>	<u>(280,730)</u>
Expenditures:				
Current:				
General government	13,369,132	12,989,840	12,104,519	885,321
Public protection	17,016,307	17,074,809	15,170,225	1,904,584
Public way and facilities	673,878	665,326	650,894	14,432
Health and sanitation	9,416,018	9,429,530	8,874,618	554,912
Public assistance	4,570,747	4,583,997	3,965,880	618,117
Education	37,510	37,510	35,567	1,943
Recreation and culture	120,300	146,300	25,316	120,984
Total Expenditures	<u>45,203,892</u>	<u>44,927,312</u>	<u>40,827,019</u>	<u>4,100,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,235,817)</u>	<u>(3,683,971)</u>	<u>135,592</u>	<u>3,819,563</u>
Other Financing Sources (Uses):				
Sale of capital assets	--	--	926	926
Transfers in	2,038,402	3,357,801	2,080,413	(1,277,388)
Transfers out	(1,226,724)	(3,461,005)	(5,279,201)	(1,818,196)
Total Other Financing Sources (Uses)	<u>811,678</u>	<u>(103,204)</u>	<u>(3,197,862)</u>	<u>(3,094,658)</u>
Net Change in Fund Balances	(5,424,139)	(3,787,175)	(3,062,270)	724,905
Budgetary Fund Balances - Beginning of Year	<u>10,933,578</u>	<u>10,933,578</u>	<u>10,933,578</u>	<u>--</u>
Budgetary Fund Balances - End of Year	<u>\$ 5,509,439</u>	<u>\$ 7,146,403</u>	<u>\$ 7,871,308</u>	<u>\$ 724,905</u>

COUNTY OF MONO

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 4,224	\$ (776)
Fines, forfeits and penalties	50,000	50,000	41,550	(8,450)
Revenue from use of money and property	1,000	1,000	(9,789)	(10,789)
Aid from other governments	579,980	6,432,682	5,819,324	(613,358)
Charges for services	795,000	795,000	793,148	(1,852)
Other revenues	--	--	1,420	1,420
Total Revenues	<u>1,430,980</u>	<u>7,283,682</u>	<u>6,649,877</u>	<u>(633,805)</u>
Expenditures:				
Current:				
Public way and facilities	<u>4,583,843</u>	<u>8,094,234</u>	<u>6,358,361</u>	<u>1,735,873</u>
Total Expenditures	<u>4,583,843</u>	<u>8,094,234</u>	<u>6,358,361</u>	<u>1,735,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,152,863)</u>	<u>(810,552)</u>	<u>291,516</u>	<u>1,102,068</u>
Other Financing Sources (Uses):				
Transfers in	550,000	664,176	552,500	(111,676)
Transfers out	--	80,928	0	(80,928)
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>664,176</u>	<u>552,500</u>	<u>(111,676)</u>
Net Change in Fund Balances	(2,602,863)	(146,376)	844,016	990,392
Fund Balances - Beginning of Year	<u>(418,463)</u>	<u>(418,463)</u>	<u>(418,463)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (3,021,326)</u>	<u>\$ (564,839)</u>	<u>\$ 425,553</u>	<u>\$ 990,392</u>

COUNTY OF MONO

Budgetary Comparison Schedule
 Realignment Fund
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Aid from other governments	\$ --	\$ --	\$ 2,739,990	\$ 2,739,990
Total Revenues	<u> --</u>	<u> --</u>	<u>2,739,990</u>	<u>2,739,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> --</u>	<u> --</u>	<u>2,739,990</u>	<u>2,739,990</u>
Other Financing Sources (Uses):				
Transfers out	<u> --</u>	<u> --</u>	<u>(2,013,437)</u>	<u>(2,013,437)</u>
Total Other Financing Sources (Uses)	<u> --</u>	<u> --</u>	<u>(2,013,437)</u>	<u>(2,013,437)</u>
Net Change in Fund Balances	--	--	726,553	726,553
Fund Balances - Beginning of Year	<u>1,130,825</u>	<u>1,130,825</u>	<u>1,130,825</u>	<u> --</u>
Fund Balances - End of Year	<u>\$ 1,130,825</u>	<u>\$ 1,130,825</u>	<u>\$ 1,857,378</u>	<u>\$ 726,553</u>

COUNTY OF MONO

Note to Required Supplementary Information
For the Year Ended June 30, 2014

BUDGETARY BASIS OF ACCOUNTING

General Budget Policies

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

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

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR GOVERNMENTAL FUNDS

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

Special Revenue

	Geothermal	Bio Terrorism	Fish and Game	Tobacco	Emergency Medical Services
<u>Assets</u>					
Cash and investments	\$ --	\$ --	\$ 15,737	\$ --	\$ 129,004
Accounts receivable	25,623	--	--	--	--
Due from other governments	--	124,386	--	--	--
Total Assets	\$ 25,623	\$ 124,386	\$ 15,737	\$ --	\$ 129,004
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ --	\$ (50)	\$ --	\$ 1,133	\$ --
Salaries and benefits payable	--	16,711	--	9,469	--
Due to other funds	22,000	132,102	--	22,236	--
Deposits from others	--	--	--	--	--
Total Liabilities	22,000	148,763	--	32,838	--
Deferred Inflows of Resources:					
Unavailable Revenue	--	88,817	--	--	--
Fund Balance					
Restricted	3,623	--	15,737	--	129,004
Assigned	--	--	--	--	--
Unassigned	--	(113,194)	--	(32,838)	--
Total Fund Balances	3,623	(113,194)	15,737	(32,838)	129,004
Total Liabilities, Deferred Inflows and Fund Balances	\$ 25,623	\$ 124,386	\$ 15,737	\$ --	\$ 129,004

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue			
	Major Thoroughfare	Mitigation Fee	County Service Areas	Development Impact
<u>Assets</u>				
Cash and investments	\$ 64,072	\$ 118,310	\$ 1,558,318	\$ 208,061
Accounts receivable	--	--	--	--
Due from other governments	--	--	--	--
Total Assets	\$ 64,072	\$ 118,310	\$ 1,558,318	\$ 208,061
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 12,345	\$ --
Salaries and benefits payable	--	--	649	--
Due to other funds	--	--	--	--
Deposits from others	--	--	4,096	--
Total Liabilities	--	--	17,090	--
Deferred Inflows of Resources:				
Unavailable Revenue	--	--	--	--
Fund Balance				
Restricted	64,072	118,310	1,541,228	208,061
Assigned	--	--	--	--
Unassigned	--	--	--	--
Total Fund Balances	64,072	118,310	1,541,228	208,061
Total Liabilities, Deferred Inflows and Fund Balances	\$ 64,072	\$ 118,310	\$ 1,558,318	\$ 208,061

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue		Capital Projects	Debt Service	Total
	Various	Total	Miscellaneous	Debt Service	
	Restricted Grant Funds	Special Revenue	Capital Improvements	Fund	
<u>Assets</u>					
Cash and investments	\$ 1,381,513	\$ 3,475,015	\$ 486,236	\$ 16,147	\$ 3,977,398
Accounts receivable	--	25,623	--	--	25,623
Due from other governments	1,456	125,842	543	--	126,385
Total Assets	\$ 1,382,969	\$ 3,626,480	\$ 486,779	\$ 16,147	\$ 4,129,406
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 342	\$ 13,770	\$ 2,860	\$ --	\$ 16,630
Salaries and benefits payable	--	26,829	--	--	26,829
Due to other funds	--	176,338	--	--	176,338
Deposits from others	--	4,096	--	--	4,096
Total Liabilities	342	221,033	2,860	--	223,893
Deferred Inflows of Resources:					
Unavailable Revenue	1,456	90,273	--	--	90,273
Fund Balance					
Restricted	1,381,171	3,461,206	--	--	3,461,206
Assigned	--	--	483,919	16,147	500,066
Unassigned	--	(146,032)	--	--	(146,032)
Total Fund Balances	1,381,171	3,315,174	483,919	16,147	3,815,240
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,382,969	\$ 3,626,480	\$ 486,779	\$ 16,147	\$ 4,129,406

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue				Emergency Medical Services
	Geothermal	Bio Terrorism	Fish and Game	Tobacco	
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	--	--	11,516	181	58,999
Use of money and property	--	(881)	147	(108)	819
Intergovernmental	--	396,824	--	119,738	--
Charges for services	--	--	--	--	--
Miscellaneous	101,238	--	50	--	--
Total Revenues	<u>101,238</u>	<u>395,943</u>	<u>11,713</u>	<u>119,811</u>	<u>59,818</u>
Expenditures:					
Current:					
General government	--	--	--	--	--
Public protection	--	380,857	9,101	--	--
Public ways and facilities	75,615	--	--	--	--
Health and sanitation	--	--	--	156,982	12,013
Public assistance	--	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total Expenditures	<u>75,615</u>	<u>380,857</u>	<u>9,101</u>	<u>156,982</u>	<u>12,013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,623</u>	<u>15,086</u>	<u>2,612</u>	<u>(37,171)</u>	<u>47,805</u>
Other Financing Sources (Uses):					
Transfers in	--	14,000	--	12,743	--
Transfers out	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>14,000</u>	<u>--</u>	<u>12,743</u>	<u>--</u>
Net Change in Fund Balances	25,623	29,086	2,612	(24,428)	47,805
Fund Balances - Beginning of Year	<u>(22,000)</u>	<u>(142,280)</u>	<u>13,125</u>	<u>(8,410)</u>	<u>81,199</u>
Fund Balances - End of Year	<u>\$ 3,623</u>	<u>\$ (113,194)</u>	<u>\$ 15,737</u>	<u>\$ (32,838)</u>	<u>\$ 129,004</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, 2014

	Special Revenue			
	Major Thoroughfare	Mitigation Fee	County Service Areas	Development Impact
Revenues:				
Taxes	\$ --	\$ --	\$ 186,916	\$ --
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	568	1,048	14,594	1,844
Intergovernmental	--	--	--	--
Charges for services	--	--	19,378	--
Miscellaneous	--	--	18,189	--
Total Revenues	<u>568</u>	<u>1,048</u>	<u>239,077</u>	<u>1,844</u>
Expenditures:				
Current:				
General government	--	--	86,558	--
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>86,558</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>568</u>	<u>1,048</u>	<u>152,519</u>	<u>1,844</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	568	1,048	152,519	1,844
Fund Balances - Beginning of Year	<u>63,504</u>	<u>117,262</u>	<u>1,388,709</u>	<u>206,217</u>
Fund Balances - End of Year	<u>\$ 64,072</u>	<u>\$ 118,310</u>	<u>\$ 1,541,228</u>	<u>\$ 208,061</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, 2014

	Special Revenue		Capital Projects	Debt Service	Total
	Various Restricted Grant Funds	Total Special Revenue	Miscellaneous Capital Improvements	Debt Service Fund	
Revenues:					
Taxes	\$ --	\$ 186,916	\$ --	\$ --	\$ 186,916
Fines, forfeitures and penalties	119,292	189,988	--	--	189,988
Use of money and property	11,381	29,412	--	--	29,412
Intergovernmental	577,891	1,094,453	10,000	--	1,104,453
Charges for services	5,720	25,098	--	--	25,098
Miscellaneous	63,865	183,342	9,011	--	192,353
Total Revenues	778,149	1,709,209	19,011	--	1,728,220
Expenditures:					
Current:					
General government	649	87,207	--	--	87,207
Public protection	670,823	1,060,781	--	--	1,060,781
Public ways and facilities	--	75,615	--	--	75,615
Health and sanitation	--	168,995	--	--	168,995
Public assistance	27,864	27,864	--	--	27,864
Debt service:					
Principal	--	--	--	548,000	548,000
Interest	--	--	--	162,451	162,451
Capital outlay	--	--	240,793	--	240,793
Total Expenditures	699,336	1,420,462	240,793	710,451	2,371,706
Excess (Deficiency) of Revenues Over (Under) Expenditures	78,813	288,747	(221,782)	(710,451)	(643,486)
Other Financing Sources (Uses):					
Transfers in	34,673	61,416	43,908	700,998	806,322
Transfers out	(22,035)	(22,035)	(81,570)	--	(103,605)
Total Other Financing Sources (Uses)	12,638	39,381	(37,662)	700,998	702,717
Net Change in Fund Balances	91,451	328,128	(259,444)	(9,453)	59,231
Fund Balances - Beginning of Year	1,289,720	2,987,046	743,363	25,600	3,756,009
Fund Balances - End of Year	\$ 1,381,171	\$ 3,315,174	\$ 483,919	\$ 16,147	\$ 3,815,240

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.

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Pooled cash and investments	\$ 55,395	\$ 36,127	\$ 91,522
Accounts Receivable	2,014	--	2,014
Total Assets	57,409	36,127	93,536
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	1,625	--	1,625
Total Liabilities	1,625	--	1,625
<u>Net Position</u>			
Unrestricted	55,784	36,127	91,911
Total Net Position	\$ 55,784	\$ 36,127	\$ 91,911
Total Liabilities and Net Position	\$ 57,409	\$ 36,127	\$ 93,536

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 30,948	\$ 1,368	\$ 32,316
Other	<u>-</u>	<u>11,153</u>	<u>11,153</u>
Total Operating Revenues	<u>30,948</u>	<u>12,521</u>	<u>43,469</u>
Operating Expenses:			
Services and supplies	<u>28,763</u>	<u>11,879</u>	<u>40,642</u>
Total Operating Expenses	<u>28,763</u>	<u>11,879</u>	<u>40,642</u>
Operating Income (Loss)	<u>2,185</u>	<u>642</u>	<u>2,827</u>
Non-Operating Revenues (Expenses):			
Interest income (expense)	<u>523</u>	<u>278</u>	<u>801</u>
Total Non-Operating Revenues	<u>523</u>	<u>278</u>	<u>801</u>
Income (loss) before transfers	2,708	920	3,628
Transfers in	<u>--</u>	<u>9,500</u>	<u>9,500</u>
Change in Net Position	2,708	10,420	13,128
Net Position - Beginning of Year	<u>53,076</u>	<u>25,707</u>	<u>78,783</u>
Net Position - End of Year	<u>\$ 55,784</u>	<u>\$ 36,127</u>	<u>\$ 91,911</u>

COUNTY OF MONO

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 31,866	\$ 12,521	\$ 44,387
Cash paid to suppliers for goods and services	<u>(31,384)</u>	<u>(11,891)</u>	<u>(43,275)</u>
Net Cash Provided (Used) by Operating Activities	<u>482</u>	<u>630</u>	<u>1,112</u>
CASH FLOWS FROM NONCAPITAL FINANCING			
Transfers from other funds	<u>--</u>	<u>9,500</u>	<u>9,500</u>
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>9,500</u>	<u>9,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	<u>523</u>	<u>278</u>	<u>801</u>
Net Cash Provided (Used) by Investing Activities	<u>523</u>	<u>278</u>	<u>801</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,005	10,408	11,413
Cash and Cash Equivalents, Beginning of Year	<u>54,390</u>	<u>25,719</u>	<u>80,109</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 55,395</u></u>	<u><u>\$ 36,127</u></u>	<u><u>\$ 91,522</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 2,185	\$ 642	\$ 2,827
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in:			
Receivables	918	--	918
Payables	<u>(2,621)</u>	<u>(12)</u>	<u>(2,633)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 482</u></u>	<u><u>\$ 630</u></u>	<u><u>\$ 1,112</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Insurance Pool</u>	<u>Total</u>
<u>Assets</u>				
Current Assets:				
Pooled cash and investments	\$ 41,078	\$ 855,663	168,884	\$ 1,065,625
Deposits with others	--	--	3,596,628	3,596,628
Total Current Assets	<u>41,078</u>	<u>855,663</u>	<u>3,765,512</u>	<u>4,662,253</u>
Noncurrent Assets:				
Capital assets:				
Depreciable, net	78,135	1,297,221	--	1,375,356
Total Noncurrent Assets	<u>78,135</u>	<u>1,297,221</u>	<u>--</u>	<u>1,375,356</u>
Total Assets	<u>119,213</u>	<u>2,152,884</u>	<u>3,765,512</u>	<u>6,037,609</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	11,182	882	933	12,997
Claims liability	--	--	1,444,407	1,444,407
Total Liabilities	<u>11,182</u>	<u>882</u>	<u>1,445,340</u>	<u>1,457,404</u>
<u>Net Position</u>				
Net investment in capital assets	78,135	1,297,221	--	1,375,356
Unrestricted	29,896	854,781	2,320,172	3,204,849
Total Net Position	<u>\$ 108,031</u>	<u>\$ 2,152,002</u>	<u>\$ 2,320,172</u>	<u>\$ 4,580,205</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Insurance Pool</u>	<u>Total</u>
Operating Revenues:				
Charges for services	<u>\$ 115,731</u>	<u>\$ 641,418</u>	<u>\$ --</u>	<u>\$ 757,149</u>
Total Operating Revenues	<u>115,731</u>	<u>641,418</u>	<u>--</u>	<u>757,149</u>
Operating Expenses:				
Services and supplies	71,825	302,322	567	374,714
Claims expense	--	--	36,413	36,413
Depreciation	<u>31,777</u>	<u>613,270</u>	<u>--</u>	<u>645,047</u>
Total Operating Expenses	<u>103,602</u>	<u>915,592</u>	<u>36,980</u>	<u>1,056,174</u>
Operating Income (Loss)	<u>12,129</u>	<u>(274,174)</u>	<u>(36,980)</u>	<u>(299,025)</u>
Non-Operating Revenues (Expenses):				
Interest income (expense)	12	7,297	76,594	83,903
Miscellaneous	<u>--</u>	<u>23,857</u>	<u>--</u>	<u>23,857</u>
Total Non-Operating Revenues	<u>12</u>	<u>31,154</u>	<u>76,594</u>	<u>107,760</u>
Income (loss) before transfers	12,141	(243,020)	39,614	(191,265)
Transfers in	<u>--</u>	<u>--</u>	<u>3,947,508</u>	<u>3,947,508</u>
Change in Net Position	12,141	(243,020)	3,987,122	3,756,243
Net Position - Beginning of Year, restated	<u>95,890</u>	<u>2,395,022</u>	<u>(1,666,950)</u>	<u>823,962</u>
Net Position - End of Year	<u><u>\$ 108,031</u></u>	<u><u>\$ 2,152,002</u></u>	<u><u>\$ 2,320,172</u></u>	<u><u>\$ 4,580,205</u></u>

COUNTY OF MONO

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Insurance Pool</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from interfund services provided	\$ 115,731	\$ 641,418	\$ --	\$ 757,149
Cash paid to suppliers for goods and services	<u>(61,922)</u>	<u>(309,545)</u>	<u>92,290</u>	<u>(279,177)</u>
Net Cash Provided (Used) by Operating Activities	<u>53,809</u>	<u>331,873</u>	<u>92,290</u>	<u>477,972</u>
CASH FLOWS FROM NONCAPITAL FINANCING				
Other revenues	<u>--</u>	<u>23,857</u>	<u>--</u>	<u>23,857</u>
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>23,857</u>	<u>--</u>	<u>23,857</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payments related to the acquisition of capital assets	(17,129)	(345,402)	--	(362,531)
Sale of capital assets	<u>--</u>	<u>7,206</u>	<u>--</u>	<u>7,206</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(17,129)</u>	<u>(338,196)</u>	<u>--</u>	<u>(355,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received (paid)	<u>12</u>	<u>7,297</u>	<u>76,594</u>	<u>83,903</u>
Net Cash Provided (Used) by Investing Activities	<u>12</u>	<u>7,297</u>	<u>76,594</u>	<u>83,903</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,692	24,831	168,884	230,407
Cash and Cash Equivalents, Beginning of Year	<u>4,386</u>	<u>830,832</u>	<u>--</u>	<u>835,218</u>
Cash and Cash Equivalents, End of Year	<u>\$ 41,078</u>	<u>\$ 855,663</u>	<u>\$ 168,884</u>	<u>\$1,065,625</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 12,129	\$(274,174)	\$ (36,980)	\$ (299,025)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	31,777	613,270	--	645,047
Changes in assets and liabilities:				
(Increase) decrease in:				
Deposits with others	--	--	350,880	350,880
Increase (decrease) in:				
Claims liability	--	--	(222,543)	(222,543)
Payables	<u>9,903</u>	<u>(7,223)</u>	<u>933</u>	<u>3,613</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 53,809</u>	<u>\$ 331,873</u>	<u>\$ 92,290</u>	<u>\$ 477,972</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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.

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

Combining Statement of Fiduciary Net Position
Investment Trust Fund
June 30, 2014

	<u>Local Districts</u>	<u>School Funds</u>	<u>Total</u>
<u>Assets</u>			
Pooled cash and investments	\$ 14,750,519	\$ 25,365,756	\$ 40,116,275
Total Assets	<u>\$ 14,750,519</u>	<u>\$ 25,365,756</u>	<u>\$ 40,116,275</u>
<u>Net Position</u>			
Net position held in trust for investment pool participants	<u>\$ 14,750,519</u>	<u>\$ 25,365,756</u>	<u>\$ 40,116,275</u>

COUNTY OF MONO

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Fund
For the Year Ended June 30, 2014

	<u>Local Districts</u>	<u>School Districts</u>	<u>Total</u>
Additions			
Contributions	\$ 17,359,947	\$ 35,960,128	\$ 53,320,075
Investment income	<u>155,012</u>	<u>242,097</u>	<u>397,109</u>
Total Additions	17,514,959	36,202,225	53,717,184
Deductions:			
Distribution from pooled investment	<u>22,580,611</u>	<u>37,992,490</u>	<u>60,573,101</u>
Change in net position	(5,065,652)	(1,790,265)	(6,855,917)
Beginning net position held in trust for pool participants	<u>19,816,171</u>	<u>27,156,021</u>	<u>46,972,192</u>
Ending net position held for pool participants	<u>\$ 14,750,519</u>	<u>\$ 25,365,756</u>	<u>\$ 40,116,275</u>

STATISTICAL SECTION (UNAUDITED)

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF MONO

**Tax Levies and Collections
General Fund Secured Roll
1992-93 through 2013-14**

<u>Fiscal Year</u>	<u>Secured Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percent of Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Levy Collected</u>
1992-93	\$ 5,677,052	\$ 5,939,621	103.30%	\$ 255,980	\$ 6,195,601	107.75%
1993-94	4,841,678	5,066,272	104.64%	217,070	5,283,342	109.12%
1994-95	5,047,309	5,372,192	106.44%	228,890	5,601,082	110.97%
1995-96	4,962,551	5,024,418	101.19%	238,335	5,262,753	106.12%
1996-97	5,309,141	5,243,350	98.76%	156,743	5,400,093	101.71%
1997-98	5,977,025	5,236,546	87.61%	175,404	5,411,950	90.55%
1998-99	6,120,181	5,420,929	88.57%	185,983	5,606,912	91.61%
1999-00	6,420,655	5,699,096	88.77%	166,327	5,865,423	91.35%
2000-01	6,880,850	6,464,711	93.95%	139,088	660,379	95.97%
2001-02	7,073,947	6,992,736	98.85%	151,339	7,144,075	100.99%
2002-03	8,271,224	8,307,872	100.44%	250,939	8,558,811	103.48%
2003-04	8,426,505	8,523,576	101.15%	69,133	8,592,709	101.97%
2004-05	9,536,891	9,449,034	99.08%	58,669	9,507,703	99.69%
2005-06	11,362,185	10,892,350	95.86%	85,125	10,977,475	96.61%
2006-07	13,630,827	13,805,122	101.28%	122,857	13,927,980	102.18%
2007-08	15,706,796	16,120,226	102.63%	85,260	16,205,486	103.17%
2008-09	17,388,237	16,726,245	96.19%	145,777	16,872,022	97.03%
2009-10	17,600,670	16,124,835	91.61%	604,423	16,729,257	95.05%
2010-11	16,514,331	14,230,471	86.17%	578,940	14,809,410	89.68%
2011-12	14,392,453	14,296,942	99.34%	505,527	14,802,468	102.85%
2012-13	15,368,593	15,038,334	97.85%	340,237	15,378,571	100.06%
2013-14	15,889,566	14,384,146	90.53%	435,043	14,819,189	93.26%

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

COUNTY OF MONO

**Property Tax Value Allocation Collection
1992-93 through 2013-14
AB-8 VALUES**

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal</u>		<u>Total</u>	
	<u>Inc. HOPTR</u>	<u>% Chg</u>	<u>Property</u>	<u>% Chg</u>		<u>% Chg</u>
1992-93	\$ 1,475,079,312		\$ 235,660,094		\$ 1,710,739,406	
1993-94	1,528,919,793	3.65%	242,890,893	3.07%	1,771,810,686	3.57%
1994-95	1,596,913,764	4.45%	231,701,331	-4.61%	1,828,615,095	3.21%
1995-96	1,592,321,372	-0.29%	215,419,598	-7.03%	1,807,740,970	-1.14%
1996-97	1,597,912,626	0.35%	224,837,451	4.37%	1,822,750,077	0.83%
1977-98	1,632,980,213	2.19%	225,309,948	0.21%	1,858,290,161	1.95%
1998-99	1,676,009,395	2.64%	229,640,519	1.92%	1,905,649,914	2.55%
1999-00	1,779,593,856	6.18%	229,350,947	-0.13%	2,008,944,803	5.42%
2000-01	1,989,414,352	11.79%	196,039,081	-14.52%	2,185,453,433	8.79%
2001-02	2,215,280,910	11.35%	224,479,974	14.51%	2,439,760,884	11.64%
2002-03	2,430,999,676	9.74%	252,782,477	12.61%	2,683,782,153	10.00%
2003-04	2,762,004,268	13.62%	265,105,692	4.88%	3,027,109,960	12.79%
2004-05	3,085,979,775	11.73%	267,934,406	1.07%	3,353,914,181	10.80%
2005-06	3,550,462,443	15.05%	260,084,308	-2.93%	3,810,546,751	13.61%
2006-07	4,278,126,257	20.49%	281,570,435	8.26%	4,559,696,692	19.66%
2007-08	5,015,813,891	17.24%	302,045,338	7.27%	5,317,859,229	16.63%
2008-09	5,554,102,507	10.73%	318,725,408	5.52%	5,872,827,915	10.44%
2009-10	5,634,656,131	1.45%	282,290,022	-11.43%	5,916,946,153	0.75%
2010-11	5,096,159,613	-9.56%	418,506,072	48.25%	5,514,665,685	-6.80%
2011-12	4,964,600,710	-2.58%	413,444,230	-1.21%	5,378,044,940	-2.48%
2012-13	4,957,878,484	-0.14%	360,781,678	-12.74%	5,318,660,162	-1.10%
2013-14	4,911,028,555	-0.94%	383,101,102	6.19%	5,294,129,657	-0.46%

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
2013-14

<u>TAX AREAS 051-000 THRU 051-013/ 051-019 THRU 051-033</u>	<u>PERCENTAGE</u>
PROP 13 (1% Limit)	1.000000
ESUSD Bonds	0.060000
TOTAL	1.060000
<u>TAX AREAS: 051-014 THRU 051-018</u>	
PROP 13 (1% Limit)	1.000000
ESUSD Bonds	0.060000
June Lake PUD Bond	0.000000
TOTAL	1.060000
<u>TAX AREAS: 010-000, 010-002, 010-003, 010-004, 010-006, 010-008, 010-011, 010-012</u>	
PROP 13 (1% Limit)	1.000000
Mammoth Unified Bond '98, '00 & '01	0.015588
Mammoth-Kern SFID	0.015960
Southern Mono Hospital Bonds	0.024523
TOTAL	1.056071
<u>TAX AREAS: 010-001, 010-005, 010-007, 010-009, 010-010</u>	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.015960
Mammoth County Water Improv. Bond #2	0.005256
Southern Mono Hospital Bonds	0.024523
Mammoth Unified Bond '98, '00 & '01	0.015588
TOTAL	1.061327
<u>TAX AREAS: 010-013, 059-000, 059-005, 059-007, 059-012</u>	
PROP 13 (1% Limit)	1.000000
Mammoth Unified Bond '98, '00 & '01	0.015588
Southern Mono Hospital Bonds	0.024523
TOTAL	1.040111
<u>TAX AREAS: 060-000</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.042549
Bishop HS Bond (Determined by Inyo County)	0.011312
Southern Mono Hospital Bonds	0.024523
TOTAL	1.078384
<u>TAX AREAS: 060-001 THRU 060-006</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.042549
Bishop HS Bond (Determined by Inyo County)	0.011312
TOTAL	1.053861

COUNTY OF MONO

**Distribution of Pooled Property Tax
1992-93 through 2013-14**

<u>Fiscal Year</u>	<u>County</u>	<u>Town of Mammoth Lakes</u>	<u>Schools Library and ERAF</u>	<u>Special Districts</u>	<u>Total</u>
1992-93	38.10%	2.93%	31.80%	27.17%	100.00%
1993-94	32.52%	3.02%	41.18%	23.28%	100.00%
1994-95	31.89%	3.03%	41.52%	23.56%	100.00%
1995-96	31.17%	3.96%	42.34%	22.53%	100.00%
1996-97	32.41%	3.07%	42.67%	21.85%	100.00%
1997-98	33.60%	3.05%	41.27%	22.08%	100.00%
1998-99	31.86%	3.06%	41.28%	23.80%	100.00%
1999-00	31.70%	3.19%	41.04%	24.07%	100.00%
2000-01	31.45%	3.58%	40.40%	24.57%	100.00%
2001-02	30.97%	3.64%	40.79%	24.60%	100.00%
2002-03	30.75%	3.74%	40.79%	24.72%	100.00%
2003-04	30.51%	3.89%	40.64%	24.96%	100.00%
2004-05	30.32%	4.00%	40.51%	25.17%	100.00%
2005-06	30.04%	4.17%	42.01%	23.78%	100.00%
2006-07	29.78%	4.29%	41.84%	24.08%	100.00%
2007-08	29.60%	4.43%	40.06%	25.91%	100.00%
2008-09	29.51%	4.50%	40.01%	25.97%	100.00%
2009-10	29.65%	4.46%	40.18%	25.71%	100.00%
2010-11	29.85%	4.37%	40.37%	25.42%	100.00%
2011-12	29.85%	4.36%	42.06%	23.73%	100.00%
2012-13	29.96%	4.30%	40.18%	25.56%	100.00%
2013-14	30.01%	4.29%	42.22%	23.48%	100.00%

COUNTY OF MONO
Tax Collections
1992-93 through 2013-14

Fiscal Year	General Fund		Secured and Unsecured			
	Secured	Unsecured	Town of Mammoth	School Districts and Augmentation Fund	Special Districts	Totals
1992-93	\$ 5,939,621	\$ 862,128	\$ 522,068	\$ 6,716,833	\$ 5,361,881	\$ 19,402,531
1993-94	5,066,272	755,388	540,072	6,802,385	5,701,810	18,865,927
1994-95	5,372,192	741,145	577,391	8,161,950	5,785,370	20,638,048
1995-96	5,024,418	682,488	759,583	8,283,649	4,268,796	19,018,934
1996-97	5,243,350	729,092	583,068	7,768,595	472,288	14,796,393
1997-98	5,448,545	719,526	571,570	7,730,443	4,451,114	18,921,198
1998-99	5,582,040	731,930	588,337	7,930,027	4,572,566	19,404,900
1999-00	5,778,043	723,824	647,065	8,306,363	4,794,903	20,250,198
2000-01	6,264,163	616,687	782,357	8,817,667	5,238,415	21,719,289
2001-02	7,073,947	695,136	825,121	7,085,768	5,591,710	21,271,682
2002-03	7,534,894	772,978	953,355	11,204,067	6,080,626	26,545,920
2003-04	8,523,576	807,741	1,158,647	12,615,367	6,936,400	30,041,730
2004-05*	9,449,034	706,107	1,348,916	13,642,275	7,916,718	33,063,050
2005-06*	11,455,149	765,220	1,592,687	16,021,241	9,067,830	38,902,127
2006-07*	12,910,660	894,463	2,295,078	18,389,553	11,787,382	46,277,136
2007-08*	14,515,638	870,916	2,624,774	22,147,747	12,860,888	53,019,963
2008-09*	14,933,794 **	919,168 **	2,653,891 **	23,571,923 **	15,301,520 **	57,380,296
2009-10*	15,165,933 **	1,260,670 **	2,417,595 **	25,336,531 **	11,152,009 **	55,332,738
2010-11*	15,209,742 **	2,409,465 **	2,409,465 **	22,262,705 **	12,855,279 **	55,146,657
2011-12*	14,822,535 **	1,288,349 **	2,355,391 **	22,694,146 **	12,800,764 **	53,961,185
2012-13*	14,814,123 **	1,122,030 **	2,286,660 **	22,419,290 **	12,544,531 **	53,186,634
2013-14*	14,697,811 **	1,149,583 **	2,269,698 **	22,354,923 **	12,476,495 **	52,948,509

** 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 2013-14

	<u>COUNTY</u>			<u>TOWN</u>			<u>SPECIAL</u>
	<u>Sales Tax</u>	<u>VLF</u>	<u>ERAF III</u>	<u>Sales Tax</u>	<u>VLF</u>	<u>ERAF III</u>	<u>DISTRICTS</u>
2004-05	96,378	943,697	(92,964)	456,945	415,538	(217,497)	(890,482)
2005-06	101,279	1,074,952	(92,964)	501,959	517,229	(217,497)	(983,446)
2006-07	134,817	1,289,321	0	679,429	628,899	0	0
2007-08	148,749	1,494,755	0	518,443	744,745	0	0
2008-09	105,026	1,651,183	0	509,504	832,471	0	0
2009-10	120,633	1,673,140	0	349,063	874,007	0	0
2010-11	101,414	1,559,622	0	448,180	802,561	0	0
2011-12	117,111	1,520,974	0	431,197	783,012	0	0
2012-13	103,613	1,499,142	0	501,938	761,411	0	0
2013-14	163,165	1,492,432	0	458,344	756,080	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, 2014

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

COUNTY OF MONO
Miscellaneous Statistical Informantion
June 30, 2014

Population:	<u>FY Year</u>	<u>County</u>	<u>Incorporated</u>	<u>Total</u>
(Bodie Only)	1879		8,000	8,000
	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
	1999		***	10,223
	2000		***	10,293
<i>As of 1/1/**</i>	2001		***	12,799
	2002		***	13,250
	2003		***	13,350
	2004	5,946	7,617	13,563
	2005	5,982	7,667	13,649
	2006	5,880	7,717	13,597
	2007	6,346	7,413	13,759
	2008	6,214	7,413	13,627
	2009	6,318	7,299	13,617
	2010	5,819	8,209	14,028
	2011	5,890	8,286	14,176
	2012	5,819	8,209	14,028
	2013	6,186	8,307	14,493
	2014	6,045	8,098	14,143

*** No Data Kept for these years