

**COUNTY OF MONO  
STATE OF CALIFORNIA**

**Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2016**



*Prepared by the Department of Finance*

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## INTRODUCTORY SECTION

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# DEPARTMENT OF FINANCE AUDITOR-CONTROLLER COUNTY OF MONO

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*Stephanie M. Butters*  
Assistant Finance Director  
Auditor-Controller

*Janet Dutcher, CPA, CGFM*  
Director of Finance

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

March 22, 2017

To the Board of Supervisors and Citizens of Mono County:

The Comprehensive Annual Financial Report (CAFR) of the County of Mono (County) for the fiscal year ended June 30, 2016, is hereby submitted in compliance with Section 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent auditor's report is located at the front of the financial section of this report. CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean" opinion) on the County's financial statements for the fiscal year ended June 30, 2016.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

Incorporated in 1861, Mono County is a rural county located on the eastern side of the Sierra Nevada Mountains. The County has an area of 3,103 square miles and a total population of 13,909 (*2015 US Census Statistics*). Other than Mammoth Lakes, the County's only incorporated area which boasts a year round population of 7,000, the remainder of the County consists of small communities ranging in population from less than 300 to about 1,200 people. The northern part of the County encompasses the small towns of Topaz, Walker and Coleville. Bridgeport, the County seat, is 35 miles south of these small communities. The central part of the County includes the communities of Lee Vining, June Lakes, Crowley Lake, the Wheeler Crest communities, and of course, Mammoth Lakes. In the southeast sector lie Benton and Chalfont. During periods of heavy recreational usage, the Town of Mammoth Lakes population approaches 35,000.

Approximately 94 percent of Mono County is public land administered by the U.S. Forest Service, the Bureau of Land Management, the State of California, and the Los Angeles Department of Water and Power. The scenic and recreational attributes of this public land help support tourism and recreation as the major industry in the county. Approximately 80 percent of all employment is directly, or indirectly, associated with this industry. Annually, more than 6 million visitor-days of use occur on public lands in Mono County. The majority of these visitors travel to and through the county on the state highway system. Major attractions include Mammoth and June Mountain ski areas, Yosemite National Park, Mono Lake, Devils Postpile National Monument, Bodie State Historic Park, and the many lakes, streams and backcountry attractions accessed through Mono County communities.

The County government functions as a local government body to serve the needs of its residents. As geographical and political subdivisions of the state, counties serve a dual role; providing municipal services in the unincorporated areas and acting as

administrative agents for state and federal government programs and services. As a general-law county, Mono County is bound by state law as to the number and duties of County elected officials. The County has five districts that are approximately equal in population with boundaries adjusted every ten years following the federal census. Policymaking and legislative authority are vested in the County Board of Supervisors (the Board). Board members are elected to four-year staggered terms, and each member represents one of the County's five districts. The County has three elected department heads: Assessor, District Attorney, and Sheriff-Coroner. The Board appoints other department heads.

The County employed 299 full-time equivalent employees in FY 2015-2016 in order to provide a full range of services to its residents. The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The State and Federal governments mandate certain minimum levels of services in the public assistance and health areas. The majority of services performed by the County are provided for all residents, regardless of whether those residents live in the County's one incorporated town or in the unincorporated areas. Every County resident directly or indirectly benefits from these services.

Included in operations are various component units, which provide specific services County-wide or to distinct geographic areas within the County. The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's governing board, and either (i) the County's ability to impose its will on the organization or (ii) the potential for the organization to provide a financial benefit to or impose a financial burden on the County. The following four component units, although legally separate entities, are considered to be part of the primary government for financial reporting purposes: Community Service Area #1 – Crowley, Community Service Area #5 – Bridgeport, Community Service Area #2 – Benton and the County of Mono Economic Development Corporation.

The County is required by State law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for most governmental and proprietary funds. The County maintains budgetary controls to assure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the general and special revenue funds are included in the annually appropriated budget. Unencumbered annual appropriations lapse at year-end. The legal level of control for appropriations is exercised at the department level within each fund. Appropriations beyond that level may only be adjusted during the year with approval of the Board. Management may make adjustments at their discretion below that level. Such adjustments by the Board and management are reflected in the revised budgetary data presented in the financial statements.

## **REQUESTS FOR INFORMATION**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mono County Finance Department, P.O. Box 556, Bridgeport, California 93517.

## **FINANCIAL AND ECONOMIC INDICATORS**

### *State Government*

The County is a political subdivision of the State of California and as such, its government is subject to State subventions and regulations. Therefore, the County's financial health is closely tied to the financial condition of the State government. The County cannot predict whether the State will encounter budgetary difficulties in the current or future fiscal years. The County also cannot predict the impact future budgets will have on the County's finances and operations. Current and future State budgets will be affected by national and State economic conditions and other factors outside the County's control.

### *Mono County Economy*

The local economy continues to improve in the wake of the "Great Recession", albeit at a slower but steady rate. Property and real property transfer taxes are projected to grow at a moderate pace of about 2 to 4% annually although assessed valuation has yet to reach its pre-recession peak. Sales tax collections are estimated to increase 3% annually through 2018. Tourism is



a major economic sector in Mono County and represents an important revenue stream. This fiscal year, transient occupancy tax (TOT) reached an all-time high of over \$3 million. Although historically volatile, recent TOT growth has been strong with collections increasing close to 7.8% annually over the past three years. Based on the first two quarters of fiscal year 2016-2017, TOT is expected to continue this trend. Program revenues essential to departments' ability to maintain public services continues to hold steady. Building permit activity continues to be strong, doubling in volume since the low point of the recession years. With several large residential developments in progress, the local economy is expected to improve in the near-term and position the County favorably for future growth.

## MAJOR INITIATIVES

The County completed many initiatives in FY 2015-2016 while maintaining core services during the year. The following highlights only represent a partial list of the many accomplishments and on-going initiatives of the Mono County organization in FY 2015-2016:

- By the end of the fiscal year, the County ended a budget-cutting program of hiring freezes, furloughs and frozen pay increases.
- Total property tax collections were 94% of total billed in FY 2015-2016. Of the 6% of uncollected taxes remaining, only 72% was delinquent as of June 30, 2016.
- The General Fund continued its subsidy (\$600,000 in FY 2015-2016) to the County's Road Fund as a way to counter declining transportation related revenues and increasing road maintenance needs.
- The Board of Supervisors adopted a strategic plan framework and in FY 2015-2016 adopted strategic focus areas.
- Animal Control successfully completed all seven 2016 vaccination and licensing clinics held throughout the County.
- Departments continued to meet mandates related to Health Care Reform / Affordable Care Act. Behavioral Health began implementation of Visual Health Record to replace the Electronic Health Record system. Public Health participated in the Walker Health Fair and Mammoth Health & Safety Fair providing education and outreach on a variety of public health programs. The Department also administered vaccinations countywide, including flu clinics in every community and school.
- Behavioral Health's MSHA division received the CSAC Merit Award for their "Dinner and a Movie" program held in Benton and Bridgeport.
- Emergency preparedness was enhanced by developing and conducting the 2015 Statewide Medical and Health Exercise based on a pandemic influenza scenario for seventeen participating organization. An after action report and improvement plan was completed. Social Services collaborated with American Red Cross to provide emergency preparedness training to residents.
- The Mono County EMS Ad-Hoc committee held several meetings throughout the year to consolidate ideas for bringing fiscal sustainability and countywide coverage of emergency medical services. Several recommendations were drafted and brought forward. Work on this initiative continues into FY 2016-2017.
- Community Development worked to update the County's General Plan and took the lead role of reviewing transient rental policies and enforcement guidelines by collaborating with the County's Planning Commission and Regional Planning Advisory Committees.
- Sheriff's Office continued collaboration with Mammoth Lakes Fire Department and Mammoth Lakes Police Department to develop a county-wide All Hazards Incident Management Team.
- The Planning Department received a national conservation award for work supporting the favorable USFWS decision to not list the sage grouse as threatened. The Department received a grant of \$50,000 annually for five years to support sage grouse conservation activities consistent with the Bi-State Action Plan.
- The Board adopted the Mono County Legislative Platform to strengthen the County's advocacy at the state and federal level by providing Board-adopted guidelines articulating issues that are important to Mono County and its citizens.
- The first ever joint Town (Mammoth) / County Council / Board of Supervisors meeting was held.
- Drug Court was formed and is operating as a problem-solving program to provide accountability and intensive supervision to drug offenders.

- The 2<sup>nd</sup> annual State of the County was held for the business community with keynote speakers from a variety of economic and business related fields. Over 80 people from small business, agencies, organizations, local governments, non-profits and chambers of commerce were in attendance.
- Finance implemented the County's new finance accounting system and efforts are underway to implement a new fully integrated payroll system.
- Probation Department fully implemented and went live with the CMS system, connecting to RIMS, the Superior Court, District Attorney, and Sheriff's Office giving access to all justice partners and increasing communication.
- Public Works continued work on several key projects that included June Lake Streets, Rock Creek Road Rehabilitation, Convict Lake Road Rehabilitation, Stock Drive Realignment, Industrial Stormwater Quality and the White Mountain Estates Phase 2 Tract Map.
- Progress was made at funding and completing several projects on the County's Capital Improvement Program including emergency generators, relocation of the Bridgeport Campus out of the old hospital, Bridgeport Memorial Hall renovations, and several ADA related improvement projects. Work was in progress with the Bridgeport Shop Biomass project that will be completed in FY 2016-2017.

## ACCOUNTING AND BUDGETARY POLICIES

The County maintains accounting controls, which are designed to safeguard assets, and the reliability of financial records for financial statement presentation. These controls include systems 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 this framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The County's budget must balance expenditure appropriations with resources. Any deviation from a balanced budget is not permitted by the California State Government Code, which states: "In the recommended, adopted and final budgets the funding sources shall equal the financing uses" (Government Code 29009). The County establishes a general reserve account striving to maintain a balance at 5% to 15% of annual general fund expenditures. The general reserve is available upon adoption of a resolution by the Board of Supervisors for spending related to natural disasters, public health crisis, destruction of public facilities and other calamities. A contingency appropriation of 1% of General Fund appropriations is included in each year's budget as a means to accommodate unexpected increases in expenditures, which could not have reasonably been anticipated at the time the budget was developed.

The objectives of the County's debt policy include using debt when appropriate and at levels the County can afford. Long-term debt is not to be used to finance ongoing operational costs. Before considering debt financing, other sources of funding such as pay as you go or grant funding is explored. The County uses self-supporting debt first before considering general fund obligated debt. Annual debt service, excluding self-supporting debt, is limited to 7% of annual general fund discretionary revenue. Efforts are undertaken to maintain and improve the County's bond ratings so borrowing costs are minimized and access to credit is preserved.

Cash temporarily idle during the fiscal year was invested with the County Treasury pooled cash. This investment pool is composed of deposits and investments allowed by California Government Code and the Mono County investment policy. The pooled investment 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, California Municipalities, Negotiable Certificates of Deposit (CD), Corporate Bonds and the State Local Agency Investment Fund (LAIF).

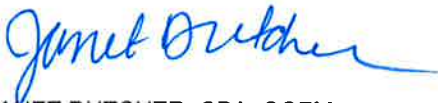
## PROSPECTS FOR THE FUTURE

Mono County continues to balance moderate increases in tax revenues against keeping up with the costs of providing services. The County experienced growth in property values for FY 2014-2015 and FY 2015-2016. Federal and State revenues have begun to rebound. However, budget considerations for the future regarding personnel will include salary increases from the sunset of furloughs on July 1, 2016 for many County employees and, effective as of January 1, 2017, many employees will be eligible to receive "step increases" except at a reduced rate of 2 ½% instead of 5%. Effective January 1, 2017 and again on January 1, 2018, the majority of employees will be provided with a 2% cost of living increase to their base salary. The County expects further increases in personnel costs resulting from health care and retirement benefits.

## ACKNOWLEDGMENTS

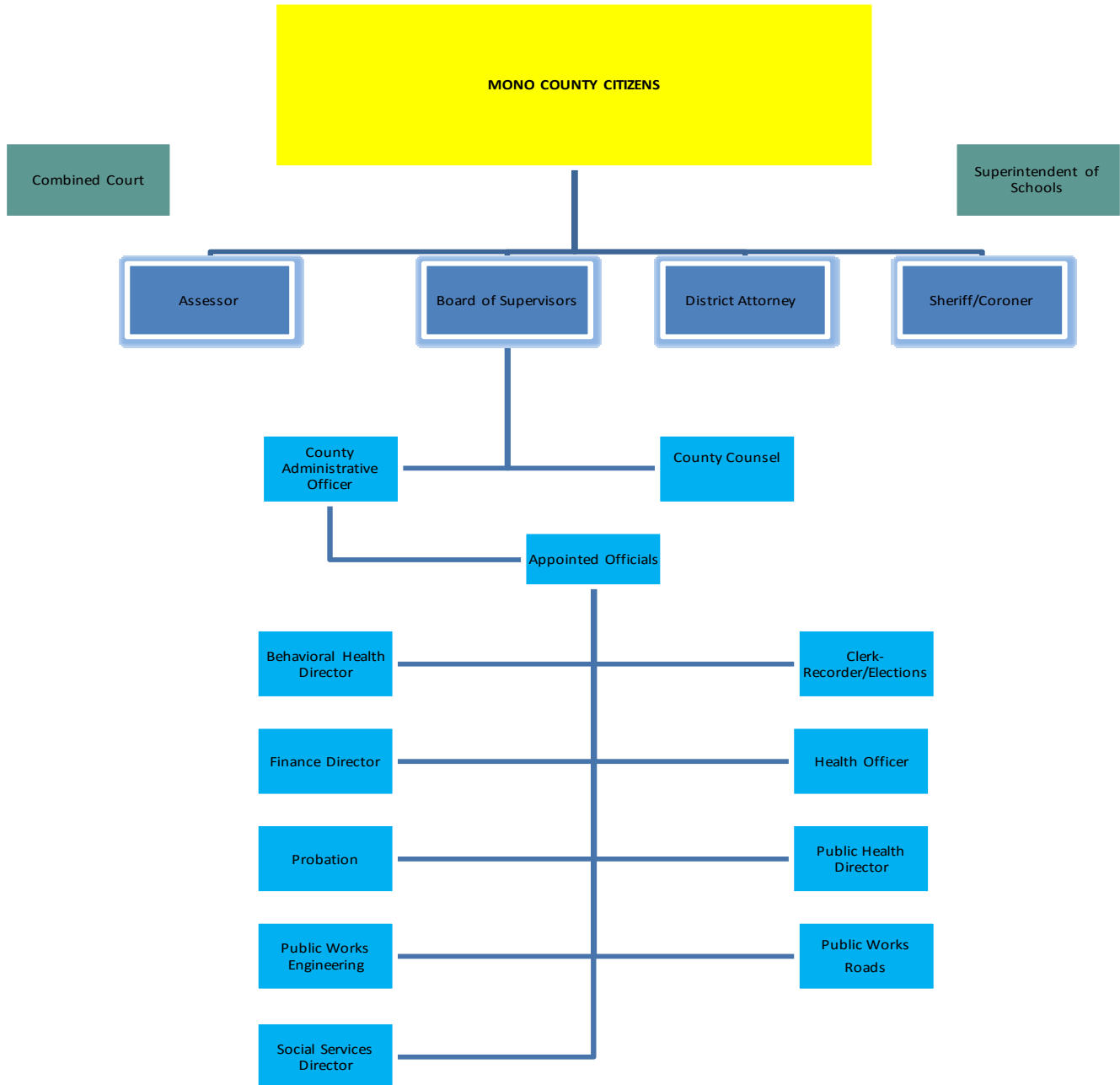
The preparation of this CAFR was achieved through the combined efforts of numerous individuals. We are especially grateful to the Finance Department staff for their outstanding efforts and many hours, which helped us further our objectives of timely and accurate financial reporting. We would also like to thank all the County departments who participated in its preparation and the Board for its leadership, responsibility, and action that ensure the general fiscal health and integrity of the County.

Respectfully submitted this 22nd day of March, 2017,



JANET DUTCHER, CPA, CGFM  
Finance Director  
County of Mono

# Mono County Organization Chart Elected and Appointed Officials



**COUNTY OF MONO**  
**DIRECTORY OF PUBLIC OFFICIALS**  
March 8, 2017

DEPARTMENT	DEPARTMENT OFFICIAL
<b>ELECTED OFFICIALS</b>	
Assessor	Barry Beck
Board of Supervisors	
District #1	Larry Johnston, Vice-Chair
District #2	Fred Stump
District #3	Bob Gardner
District #4	John Peters
District #5	Stacey Coreless, Chair
District Attorney	Tim Kendall
Sheriff- Coroner	Ingrid Braun
Combined Court	Stan Eller
Superintendent of Schools	Stacey Alder
<b>APPOINTED OFFICIALS</b>	
County Administrative Officer	Leslie Chapman
County Counsel	Stacey Simon
Behavioral Health Director	Robin Roberts
Clerk-Recorder/Clerk of the Board	Shannon Kendall
Finance Director	Janet Dutcher, CPA, CGFM
Health Officer	Richard Johnson, MD
Probation Chief	Karin Humiston
Public Health Director	Lynda Salcido
Public Works Director	Jeff Walters
Social Services Director	Kathy Peterson

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**FINANCIAL SECTION**

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CLAAconnect.com

## 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, 2016, 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, 2016, 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

### **Emphasis of Matter**

#### *Prior period adjustments*

As disclosed in Note 10 to the financial statements, prior period adjustments were recorded for the correction of errors in prior year financial statements. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios and schedule of contributions, schedule of funding progress – other postemployment benefits, 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 March 22, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California  
March 22, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## COUNTY OF MONO

### Management's Discussion and Analysis June 30, 2016

The management of the County of Mono (County) offers readers of the County's annual financial report this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. It should be read in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

#### FINANCIAL HIGHLIGHTS

- The County's net position was \$29,841,630 at June 30, 2016 and exceeded the prior year by \$10,671,414 (55.7%), after restatement of the 2015 balance primarily for the understatement of the net pension liability.
- The County's overall assets exceeded its liabilities at the close of the most recent fiscal year by \$29,841,630 (net position). Of this amount, \$43,407,690 is invested in Capital Assets net of debt; \$19,437,290 is restricted for various programs; and (\$33,003,350) is unrestricted for governmental activities. The unrestricted deficit is due to the implementation of GASB 68 and the required reporting of the net pension liability.
- As of June 30, 2016, the County's governmental funds reported combined ending fund balances of \$27,858,013, an increase of \$9,680,900, or 53.3%, in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the governmental type funds was \$3,919,848, or 8.1% of total general government expenditures, a 16.2% decrease in unassigned fund balance from last year.
- Total long-term liabilities in the Solid Waste enterprise fund decreased by \$207,958 during the fiscal year. Closure/post closure costs accounted for \$143,107 of this decrease. The net pension liability is included and increased by \$156,268 from the prior fiscal year.
- 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 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 \$855,000 and is reflected in Internal Balances.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, using accounting methods similar to those of a private-sector business, that is, using the accrual basis of accounting. The financial statements demonstrate Mono County's 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. These statements provide both long-term and short-term information about the County's overall financial status.

The *Statement of Net Position* presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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.

## COUNTY OF MONO

### Management's Discussion and Analysis June 30, 2016

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 and earned but unused vacation leave).

Both of the 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 activities include the solid waste program, airport fund, cemetery fund and campground fund. In 2009 two internal service funds were created to develop self-sustaining funds for operation and replacement of equipment. These two internal service funds, Motor Pool and Copier Pool, are considered governmental activities. Two more internal service funds were established at the end of fiscal year 2013, the Tech Refresh and Insurance Pool. 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.

#### 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** are used to account for essentially the same functions reported 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented, for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 255 individual funds, including 186 fiduciary funds, organized according to type (governmental, fiduciary, or proprietary). On the financial statements for governmental funds, information is presented separately for five major funds: General Fund, the Road Fund, the Realignment Fund, the Mental Health Services Act Fund, and the Round Fire Fund. Data from the other non-major 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 Other Supplementary Information section of this report.

The County adopts an annual appropriated budget for its General Fund and most special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

**Proprietary funds** provide the same type of information as the government-wide financial statements, only in more detail. The County maintains two different types of proprietary funds: enterprise funds and internal service funds.

## COUNTY OF MONO

### Management's Discussion and Analysis June 30, 2016

Enterprise funds are included in the government-wide financial statements as business-type. The County uses enterprise funds to account for its solid waste program, airport, cemetery and campground funds.

Internal service funds are included in the government-wide financial statements under governmental activities as they predominantly benefit governmental rather than business-type functions. These funds are used to accumulate and allocate costs internally among the County's various internal functions. The County uses internal service funds to account for its motor pool, copier pool, insurance pool, and tech refresh pool.

Proprietary fund statements provide separate information for solid waste and airport, major enterprise funds. The non-major enterprise funds, cemetery and campground are aggregated into a single column. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and all of 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.

#### Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information (RSI) that includes budgetary comparisons for the General Fund and the major special revenue funds. The schedule of changes in net pension liability, schedule of the County's retirement plan contributions and schedule of OPEB funding progress are also presented as RSI.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and non-major component units are presented immediately following the required supplementary information.

Following the combining statements, an unaudited statistical section is presented for the benefit of the readers of the comprehensive annual financial report. The objectives of the statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess a government's economic condition.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial condition. Prior year assets and liabilities are shown below for the purpose of providing comparative data on a government-wide level.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 44,993,534	\$ 35,597,732	\$ 4,861,884	\$ 4,014,141	\$ 49,855,418	\$ 39,611,873
Capital assets	37,058,137	37,457,469	6,416,220	6,694,009	43,474,357	44,151,478
Total Assets	82,051,671	73,055,201	11,278,104	10,708,150	93,329,775	83,763,351
Deferred outflows of resources						
Deferred pensions	3,901,710	3,721,083	59,015	60,641	3,960,725	3,781,724
Current and other liabilities	7,388,554	6,651,892	223,416	136,011	7,611,970	6,787,903
Long term liabilities	45,077,438	40,461,535	10,347,379	10,555,337	55,424,817	51,016,872
Total Liabilities	52,465,992	47,113,427	10,570,795	10,691,348	63,036,787	57,804,775
Deferred inflows of resources						
Deferred pensions	4,352,742	7,659,538	59,341	119,269	4,412,083	7,778,807
Net investment in capital assets	37,058,137	37,457,469	6,349,553	6,627,342	43,407,690	44,084,811
Restricted	19,407,068	16,168,103	30,222	30,222	19,437,290	16,198,325
Unrestricted	(27,330,558)	(31,622,253)	(5,672,792)	(6,699,390)	(33,003,350)	(38,321,643)
Total Net Position	\$ 29,134,647	\$ 22,003,319	\$ 706,983	\$ (41,826)	\$ 29,841,630	\$ 21,961,493

The County’s net position was \$29,841,630 as of June 30, 2016, an increase of \$10,671,414, or 55.7%, during the fiscal year, after restatement of the 2015 balance primarily for understatement of the net pension liability, as described in the following paragraphs.

*Investment in capital assets net of related debt* reflects the County’s investment in capital assets (i.e. its land, structures and improvements, infrastructure and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. 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 during the 2016-17 fiscal year.

*Restricted net position* represents resources that are subject to external restrictions on how they may be used. The County’s restricted net position of \$19,437,290 or 65.1% of total net position is comprised of the following resources:

- Road projects – 5.2% of total net position
- Health and social services –24% of total net position
- County service areas –7.5% of total net position
- Community development – 2.6% of total net position
- Grant programs –19.1% of total net position
- General county programs – 6.7% of total net position
- Endowment – 0.1% of total net position

During the fiscal year ended June 30, 2016, restricted net position increased \$3,238,965 or 20%.

*Unrestricted net position* (deficit) is (\$33,003,350) or (110.6%) of total net position. The majority of the deficit is due to financial reporting for the *net pension liability*.



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The following table presents the activities that accounted for the changes in net position for governmental and business-type activities. The Primary Government (Governmental and Business-type activities) increased net position by \$10,671,414, or 55.7%, to \$29,841,630 for the year ended June 30, 2016, after restatement of the 2015 balance for the net pension liability.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Program revenues:</b>						
Fees, Fines & Charges for Services	\$ 6,999,158	\$ 7,106,835	\$ 2,885,906	\$ 2,962,429	\$ 9,885,064	\$ 10,069,264
Operating grants	21,422,359	27,527,859	40,000	30,000	21,462,359	27,557,859
Capital grants	4,054,304	157,241	22,884	30,011	4,077,188	187,252
<b>General revenues:</b>						
Property taxes	19,992,544	18,653,314	--	--	19,992,544	18,653,314
Sales and use taxes	643,086	511,011	--	--	643,086	511,011
Other taxes	3,058,934	2,751,260	--	--	3,058,934	2,751,260
Other revenue	--	113,063	--	52,021	--	165,084
Interest/Investment earnings	190,778	199,428	43,356	36,993	234,134	236,421
Total Revenues	<u>56,361,163</u>	<u>57,020,011</u>	<u>2,992,146</u>	<u>3,111,454</u>	<u>59,353,309</u>	<u>60,131,465</u>
<b>Expenses:</b>						
General government	8,527,686	9,495,667	--	--	8,527,686	9,495,667
Public protection	17,026,030	15,022,593	--	--	17,026,030	15,022,593
Public ways and facilities	7,655,712	9,115,279	--	--	7,655,712	9,115,279
Health and Sanitation	8,564,376	8,638,229	--	--	8,564,376	8,638,229
Public assistance	4,407,906	4,280,862	--	--	4,407,906	4,280,862
Education	39,784	39,164	--	--	39,784	39,164
Culture and recreation	104,588	110,690	--	--	104,588	110,690
Interest and fiscal charges	112,476	138,475	--	--	112,476	138,475
Solid Waste Landfill	--	--	1,778,162	2,018,282	1,778,162	2,018,282
Airport	--	--	426,882	509,576	426,882	509,576
Campgrounds	--	--	22,590	45,894	22,590	45,894
Cemeteries	--	--	15,703	3,017	15,703	3,017
Total Expenses	<u>46,438,558</u>	<u>46,840,959</u>	<u>2,243,337</u>	<u>2,576,769</u>	<u>48,681,895</u>	<u>49,417,728</u>
Change in net position before transfers	9,922,605	10,179,052	748,809	534,685	10,671,414	10,713,737
Transfers	--	(2,000)	--	2,000	--	--
Change in net position	<u>9,922,605</u>	<u>10,177,052</u>	<u>748,809</u>	<u>536,685</u>	<u>10,671,414</u>	<u>10,713,737</u>
Net position - beginning	22,003,319	53,743,253	(41,826)	(115,299)	21,961,493	53,627,954
Prior period adjustment	(2,791,277)	(41,916,986)	--	(463,212)	(2,791,277)	(42,380,198)
Net position - beginning, as restated	<u>19,212,042</u>	<u>11,826,267</u>	<u>(41,826)</u>	<u>(578,511)</u>	<u>19,170,216</u>	<u>11,247,756</u>
Net position, ending	<u>\$ 29,134,647</u>	<u>\$ 22,003,319</u>	<u>\$ 706,983</u>	<u>\$ (41,826)</u>	<u>\$ 29,841,630</u>	<u>\$ 21,961,493</u>

Analysis of Governmental Activities

Governmental Activities increased the County’s net position by \$9,922,605 before transfers, a decrease of \$254,447 over the prior year, accounting for 93% of the County’s total increase in net position. Business-type activities attributed to the increase in net position by \$748,809, an increase of \$212,124 over the prior year, and accounts for the remaining 7% of the County’s total increase in net position.

Revenues: Revenues for the County’s governmental activities had an overall decrease from the prior year of \$658,848, or 1.2%, to \$56,361,163. Revenues are divided into two categories: Program Revenues and General Revenues.

Program Revenues includes revenues such as fees, fines, and charges for services as well as operating and capital grants. Program revenues decreased overall by \$2,316,114, or 6.7%, from the prior year to \$32,475,821, with the majority of the reduction attributable to operating grants. Operating grants include grants such as that of the Road fund which received less grant funding for the fiscal year ended June 30, 2016 as compared to the prior fiscal year. Charges for services also had a decrease which can be related to a reduction in services, reduced property tax late payment fines and fees, and general administrative service cost reimbursement.

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*General Revenues* include property taxes, sales and use taxes, other taxes/revenues, and interest/investment earnings. General revenues increased by \$1,657,266, or 7.5%, from the prior year to \$23,885,342. The increase is primarily due to increased property tax receipts and transient occupancy tax, both attributable to a recovering economy.

Expenses: Governmental activities had a decrease in total expenses of \$402,401, or 0.9%.

#### **Analysis of Business-Type Activities**

Business-type activities change in net position increased by \$212,124, or 39.5%, to \$748,809 for the year end June 30, 2016, accounting for 7% of the County's total increase in net position.

Revenues for the County's Business-Type Activities had a small decrease from the prior year of \$119,308 before transfers, or 3.8%, to \$2,992,146. Expenses decreased as well over the prior year by \$333,432, or 12.9%, to \$2,243,337.

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

#### **Governmental funds**

The County's general governmental functions are contained in the General Fund, Special Revenue, Capital Project and Debt Service 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, 2016, the County's governmental funds reported combined ending fund balances of \$27,858,013, an increase of \$9,702,662, or 53.4%, in comparison with the prior year (for more information see Note 9 – Net Position/Fund Balances). The components of fund balance are as follows:

- Nonspendable fund balance, \$1,296,791, consists of amounts that are not spendable in form or are legally or contractually required to be maintained intact and consists of:
  - Advances - \$855,000
  - Prepaid expenses - \$77,532
  - Inventories - \$364,259
- Restricted fund balance, \$17,033,022, consists of amounts with constraints put on their use by externally imposed creditors, grantors, laws, regulations and enabling legislation and consist of amounts restricted to:
  - Road projects - \$1,173,598
  - Health and social services - \$7,144,236
  - County service areas - \$2,243,991
  - Community development - \$762,013
  - Grant programs - \$5,709,184
- Committed fund balance, \$540,656, consists of amounts that have been committed to specific purposes by the Board of Supervisors and consists of amounts committed to:
  - Disaster assistance (Round Fire) - \$540,656

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- Assigned fund balance, \$5,067,696, represents amounts intended for use as determined by the Board of Supervisors and consists of amounts assigned to:
  - Eliminate projected FY 16/17 budgetary deficit - \$4,567,500
  - Capital projects - \$359,706
  - Tourism - \$117,377
  - Conway Ranch - \$23,113
- Unassigned fund balance, \$3,919,848, represents the residual classification for the General Fund and negative amounts from other governmental funds, if any.

Unassigned fund balance represents approximately 14.1% (a decrease over last year) of the total governmental 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 does not represent 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 restricted, committed, or assigned by Board of Supervisors or other prevailing law.

#### **General Fund**

The General Fund is the main operating fund of the County. At June 30, 2016, unassigned fund balance of the general fund was \$4,015,851 while total fund balance reached \$9,637,190. As measures of this fund's liquidity, it is useful to note that unassigned fund balance represents 14.3% of total fund expenditures, while total fund balance represents 34.3% of that same amount.

#### **Other Major Governmental Funds**

As compared with the prior year, the total fund balances of the remaining governmental funds increased by 183.9%, or \$11,803,034, to \$18,220,823 with the following significant changes:

- The Realignment Fund had a fund balance of \$4,858,907 which was all restricted. This was a \$1.83 million increase over the prior year due primarily to an increase in state revenues.
- The Mental Health Services Act Fund and the Round Fire Disaster Fund were aggregated in the Other Governmental column for the prior fiscal year but for 16/17 was included as a separate major governmental fund. The Mental Health Services Act Fund, Round fire Disaster Fund, and the Other Governmental funds had a combined total fund balance of \$11,825,325, an increase of \$7,751,041 over the prior year. The Round Fire Disaster Fund had an increase in fund balance primarily due to a receivable of approximately \$1.7 million. The Mental Health Service Act Fund had an increase in fund balance, all restricted, due to an increase in state revenues received.
- The unassigned fund balance of negative \$96,003 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.

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**Revenues:**

Revenues for governmental funds totaled \$58,249,951 for fiscal year 2015-16, which represents an increase of 4.1% from fiscal year 2014-15.

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 2016		FY 2015		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 23,694,564	40.68%	\$ 21,915,585	39.18%	\$ 1,778,979	8.12%
Licenses and permits	660,820	1.13%	659,532	1.18%	1,288	0.20%
Fines, forfeitures & penalties	907,136	1.56%	836,368	1.50%	70,768	8.46%
Use of money & property	224,169	0.38%	165,637	0.30%	58,532	35.34%
Intergovernmental	27,441,774	47.11%	25,421,960	45.45%	2,019,814	7.95%
Charges for services	4,234,113	7.27%	5,841,674	10.44%	(1,607,561)	-27.52%
Other	1,087,375	1.87%	1,093,503	1.95%	(6,128)	-0.56%
Total	\$ 58,249,951	100%	\$ 55,934,259	100%	\$ 2,315,692	4.14%

- Taxes – Tax revenues include a multitude of taxes including sales taxes, transient occupancy taxes and property taxes. Mono County relies on tourism to bring in sales tax and transient occupancy taxes and while those numbers fell dramatically in past years due to the economic downturn, we have now seen an increase in these types of revenues. Tax revenues in the general fund increased by \$1,771,085, or 8.2%, over the prior fiscal year due primarily to the continued gradual recovery of the real estate market which in turn increased real estate values and therefore county property tax revenues.
- Licenses and Permits – Licenses and permits were relatively flat in Mono County with a nominal increase of \$1,288, or .2% over the prior fiscal year.
- Use of money and property – Better interest rates and higher cash balances resulted in higher earnings for 2015-16, resulting in an increase of \$58,532, or 35.3% over the prior fiscal year.
- Intergovernmental Revenues – These types of revenues increased by \$2,019,814, or 7.9%, in part due to 2011 Realignment and some programs that received growth allocations. Realignment is funded by various taxes paid to the state and allocated based on a set formula.
- Charges for services – A decrease of \$1,607,561, or 27.5%, in these types of revenues can be partly attributed to a decrease in use of services, reduced late penalties and fees on property tax revenue, and reduced general administration service fees.

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**Expenditures:**

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

**Expenditures Classified by Function - Governmental Funds**

	FY 2016		FY 2015		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 9,241,315	19.12%	\$ 10,310,419	19.95%	\$ (1,069,104)	-10.37%
Public protection	17,237,927	35.66%	15,458,350	29.91%	1,779,577	11.51%
Public ways and facilities	7,102,319	14.69%	11,144,707	21.56%	(4,042,388)	-36.27%
Health and sanitation	8,999,912	18.62%	8,839,953	17.10%	159,959	1.81%
Public assistance	4,581,365	9.48%	4,348,726	8.41%	232,639	5.35%
Education	39,784	0.08%	39,164	0.08%	620	1.58%
Debt Service, Principal	647,700	1.34%	596,300	1.15%	51,400	8.62%
Debt service, Interest and other costs	115,754	0.24%	139,494	0.27%	(23,740)	-17.02%
Capital outlay	378,428	0.78%	805,922	1.56%	(427,494)	-53.04%
Total Expenditures	\$ 48,344,504	100%	\$ 51,683,035	100%	\$ (3,338,531)	-6.46%

- General government – A decrease of \$1,069,104, or 10.4%, in expenditures resulted primarily from continued budgetary constraints, negotiated furlough agreements with certain employee bargaining units and vacant positions in general government departments.
- Public protection – This expenditure group had an increase of \$1,779,577, or 11.5%, that can be primarily attributed to vacant positions being filled, negotiated retroactive pay for certain bargaining groups, and increased benefit amounts, that resulted in increased salary and benefits.
- Public ways and facilities – Many road and transportation projects are grant funded. There was a \$4,042,388, or 36.3%, decrease in public ways and facilities expenditures due primarily to a reduction in new road projects during the 2015-16 fiscal year.
- Public assistance – FY 2015-16 saw an 5.3% increase over the prior fiscal year, or \$232,639. Public assistance can fluctuate widely depending upon availability of State and Federal funding and 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.
- Debt service – The County refunded the PERS Side fund late in fiscal year 2012. Every year until the refunded PERS Side fund debt 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.

**Proprietary Funds**

The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Enterprise funds include the solid waste program, airport fund, cemetery fund and campground fund. Additionally, there are four internal service funds that are presented in aggregate: Motor Pool, Copier Pool, Tech Refresh Pool and Insurance Pool. Factors affecting the financial results of these funds were discussed earlier in the business-type activities of Mono County.

- The total net position of County enterprise funds increased by \$748,809 in the current fiscal year to \$706,983. The solid waste enterprise fund increased their net position by \$1,120,098, decreasing their deficit net position from the prior fiscal year. The airport enterprise fund decreased their net position from the prior fiscal year by \$373,153, primarily due to capital asset depreciation.

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- The total net position of internal service funds decreased by \$401,734 from \$3,731,847 to \$3,330,113 primarily due to changes in the insurance pool within cash balances held with fiscal agents and claims liability increases.

**General Fund Budgetary Highlights**

The Board adopted their initial budget August 18, 2015, after much hard work and public hearings. This initial adopted budget allowed for revenues of \$33,915,775 and expenditures of \$36,181,380. The gap was met through prior year fund balance and use of other financing sources. A few minor changes were made throughout the year and a mid-year budget review occurred in February 2016 that resulted in an increase of \$135,502 in revenues offset by an increase of \$135,502 in expenditures causing no change to fund balance.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County’s investment in capital assets for its Governmental Activities, as of June 30, 2016, totals \$37,058,137 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, infrastructure and construction in progress. The total decrease in the County’s governmental net investment in capital assets for the current period was \$399,332, or 1.1% (net of accumulated depreciation). Current depreciation for governmental type funds is \$3,280,030. Business-type function assets saw a decrease of \$277,789, or 4.1%. Business-type activities total \$330,589 in current year depreciation and total assets net of depreciation is \$6,416,220.

The county both purchases and constructs capital assets throughout the year. When a capital project will be completed in a subsequent fiscal year, related current year expenditures are recorded as Construction in progress (CIP). In the year of completion, a project’s CIP is allocated to the appropriate capital asset classification(s). As of June 30, 2016, total CIP decreased by \$2,194,218, consisting of \$2,707,432 in transfers due to project completion and transfers/disposals and \$513,214 in CIP additions due to new projects. More detailed discussion can be found in Note 4 in the Notes to the Financial Statements section in this report.

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2015	2014
Land	\$ 6,793,617	\$ 6,793,617	\$ 286,135	\$ 233,335	\$ 7,079,752	\$ 7,026,952
Construction in progress	1,976,976	4,171,194	--	--	1,976,976	4,171,194
Infrastructure	93,754,058	89,814,386	--	--	93,754,058	89,814,386
Structures & improvements	18,577,483	18,100,383	7,730,944	7,730,944	26,308,427	25,831,327
Equipment	17,275,185	17,322,582	1,532,463	1,532,463	18,807,648	18,855,045
Intangibles	1,148,577	1,148,577	--	--	1,148,577	1,148,577
Accumulated Depreciation	(102,467,759)	(99,893,270)	(3,133,322)	(2,802,733)	(105,601,081)	(102,696,003)
Total	\$ 37,058,137	\$ 37,457,469	\$ 6,416,220	\$ 6,694,009	\$ 43,474,357	\$ 44,151,478

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. It is important to note, assets are valued at their acquisition cost and not as a market value or replacement cost.

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**Debt Administration**

At June 30, 2016, the County Governmental activities had total long-term liabilities outstanding of \$45,077,438:

**Long Term Liabilities**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Pension obligation bonds	\$ 2,161,600	\$ 2,809,300	\$ --	\$ --	\$ 2,161,600	\$ 2,809,300
Compensated absences	3,192,000	3,084,923	78,237	84,756	3,270,237	3,169,679
Net pension liability	38,065,504	35,522,088	767,312	611,044	38,832,816	36,133,132
Claims liability	1,658,334	1,383,097	--	--	1,658,334	1,383,097
Refunded certificates of participator	--	--	2,406,000	2,620,600	2,406,000	2,620,600
Loan payable	--	--	66,667	66,667	66,667	66,667
Landfill postclosure cost	--	--	7,029,163	7,172,270	7,029,163	7,172,270
Total	<u>\$ 45,077,438</u>	<u>\$ 42,799,408</u>	<u>\$ 10,347,379</u>	<u>\$ 10,555,337</u>	<u>\$ 55,424,817</u>	<u>\$ 53,354,745</u>

\* The 2015 balance of net pension liability for governmental activities has been restated. See Note 10 for further information.

Total long-term liabilities increased by \$2,070,072, or 3.9%, during the fiscal year ended June 30, 2016 largely in part to adjustments in net pension liability. Claims liability also increased by \$275,237, or 19.9%, over the prior fiscal year.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

- The County’s Net Position increased by \$10,671,414, after restatement of the 2015 balance for net pension liability, as County revenues exceeded expenses.
- The unemployment rate for Mono County annualized for 2015 was 5.3% and for 2016 was 4.9%. The State’s average unemployment rate for 2016 was 5.4%. The unemployment rate for Mono County dropped by .4% when compared to 6.2% for 2015. Mono County’s scenic and recreational attributes help support tourism and recreation which is the major industry and directly affects the employment rate.
- Property tax values have stabilized and are expected to increase at a moderate pace of about 2 to 4% annually after years of decline. New construction is still slow 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 are settled and as the economy as a whole within the state and nation improves. Total assessed valuations in Mono County increased 2.6% from the 2015 to the 2016 total roll value.
- Continuing from the 2015-16 budget, MOU negotiations resulted in a slight increase in employee participation in health benefits as well as salary freezes and furloughs to contain costs. Furloughs for employees will sunset July 1, 2016.
- The 2016-17 budget 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. The employer payment of the PERS unfunded liability, however, is an increase to be considered in 2016-17. In addition to the normal cost rate that will be going up an average of 1% for each employee group, the lump sum payment due for the unfunded liability for 2016-17 is \$688,800.
- Road Funding for 2016-17 is expected to continue to encounter declining transportation related revenues and increasing road maintenance needs. A General Fund subsidy of \$850,000 to the County’s Road Fund is budgeted for 2016-17 as a way to counter the shortfall.
- For revenue, transient occupancy tax (TOT) reached an all-time high of over \$3 million for the fiscal year ended June 30, 2016 due to tourism, a major economic industry in Mono County. Sales tax is looking strong and collections are estimated to increase 3% annually through 2018. The cost of living adjustment for property taxes effective 1-1-2017 is set at 2% creating cautious optimism for the future.

These factors plus others were considered in preparing the County’s budget for the 2016-17 fiscal year.

## COUNTY OF MONO

### Management's Discussion and Analysis June 30, 2016

The 2016-17 adopted budget is sufficient to:

- Provide core services and programs while avoiding significant reductions to other programs and services;
- Restore MCPEA salaries after two years of furloughs, include 2% cost of living adjustment as of 1-1-2017, and restore step increases;
- Allocate an amount of \$256,909 to the General Fund Reserves to continue towards funding the policy minimum as well as \$1,117,516 allocated to the Economic Stabilization Fund to fund future personnel actions and/or other unfunded projects;
- Provide for contingencies in the adopted amount of \$383,390;
- Continue funding the County Emergency Medical Services without decreasing service levels;
- Maintain Mono County's commitment to the Senior Services Program; and
- Partially fund the gap caused by a reduction in Highway User Tax for roads and provide minimal funding for road maintenance and repairs in the contribution amount to the Road Fund in the amount of \$850,000.

#### REQUESTS 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**

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# COUNTY OF MONO

## Statement of Net Position

June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 28,563,911	\$ 2,294,297	\$ 30,858,208
Cash with fiscal agent	62,557	74,430	136,987
Restricted cash	-	3,041,508	3,041,508
Accounts receivable	1,145,005	288,495	1,433,500
Due from other governments	6,229,547	16,042	6,245,589
Taxes receivable	373,354	-	373,354
Deposits with others	2,894,060	-	2,894,060
Prepaid expense	77,532	-	77,532
Inventories	364,259	2,112	366,371
Other assets - Other Post Employment Benefits	4,428,309	-	4,428,309
Internal balances	855,000	(855,000)	-
Capital assets:			
Nondepreciable	8,770,593	286,135	9,056,728
Depreciable, net	28,287,544	6,130,085	34,417,629
Total Assets	<u>82,051,671</u>	<u>11,278,104</u>	<u>93,329,775</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	3,901,710	59,015	3,960,725
<b>LIABILITIES</b>			
Accounts payable	3,117,100	148,320	3,265,420
Salaries and benefits payable	2,903,501	56,359	2,959,860
Interest payable	7,751	18,737	26,488
Deposits from others	800	-	800
Unearned revenue	1,359,402	-	1,359,402
Long-term liabilities:			
Portion due or payable within one year	3,787,348	318,017	4,105,365
Portion due or payable after one year	41,290,090	10,029,362	51,319,452
Total Liabilities	<u>52,465,992</u>	<u>10,570,795</u>	<u>63,036,787</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	4,352,742	59,341	4,412,083
<b>NET POSITION</b>			
Net investment in capital assets	37,058,137	6,349,553	43,407,690
Restricted for:			
Road projects	1,536,591	-	1,536,591
Health and Social Services	7,164,607	-	7,164,607
County Service Areas	2,243,991	-	2,243,991
Community Development	762,013	-	762,013
Grant Programs	5,709,262	-	5,709,262
General County Programs	1,990,604	-	1,990,604
Endowment	-	30,222	30,222
Unrestricted	(27,330,558)	(5,672,792)	(33,003,350)
Total Net Position	<u>\$ 29,134,647</u>	<u>\$ 706,983</u>	<u>\$ 29,841,630</u>

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

## Statement of Activities

For the Year Ended June 30, 2016

FUNCTION / PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General government	\$ 8,527,686	\$ 2,604,571	\$ 3,251,597	\$ -
Public protection	17,026,030	1,715,559	5,540,719	-
Public ways and facilities	7,655,712	524,684	1,020,857	4,054,304
Health and sanitation	8,564,376	2,015,266	6,219,790	-
Public assistance	4,407,906	139,078	5,388,489	-
Education	39,784	-	907	-
Recreation and culture	104,588	-	-	-
Interest on long-term debt	112,476	-	-	-
<b>Total Governmental Activities</b>	<b>46,438,558</b>	<b>6,999,158</b>	<b>21,422,359</b>	<b>4,054,304</b>
<b>Business-Type Activities</b>				
Solid Waste	1,778,162	2,837,439	20,000	-
Airport	426,882	9,021	20,000	22,884
Campgrounds	22,590	39,376	-	-
Cemeteries	15,703	70	-	-
<b>Total Business-type Activities</b>	<b>2,243,337</b>	<b>2,885,906</b>	<b>40,000</b>	<b>22,884</b>
<b>Total Primary Government</b>	<b>\$ 48,681,895</b>	<b>\$ 9,885,064</b>	<b>\$ 21,462,359</b>	<b>\$ 4,077,188</b>

### GENERAL REVENUES AND TRANSFERS

#### Taxes:

- Property
- Sales and use
- Transient occupancy
- Unrestricted investment earnings
- Total General Revenues

### CHANGES IN NET POSITION

Net Position - Beginning of Year, restated

### NET POSITION, END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and  
Changes in Net Position

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (2,671,518)	\$ -	\$ (2,671,518)
(9,769,752)	-	(9,769,752)
(2,055,867)	-	(2,055,867)
(329,320)	-	(329,320)
1,119,661	-	1,119,661
(38,877)	-	(38,877)
(104,588)	-	(104,588)
(112,476)	-	(112,476)
(13,962,737)	-	(13,962,737)
-	1,079,277	1,079,277
-	(374,977)	(374,977)
-	16,786	16,786
-	(15,633)	(15,633)
-	705,453	705,453
(13,962,737)	705,453	(13,257,284)
19,992,544	-	19,992,544
643,086	-	643,086
3,058,934	-	3,058,934
190,778	43,356	234,134
23,885,342	43,356	23,928,698
9,922,605	748,809	10,671,414
19,212,042	(41,826)	19,170,216
\$ 29,134,647	\$ 706,983	\$ 29,841,630

**FUNCTION / PROGRAM ACTIVITIES**

Primary Government

Governmental Activities:

General government  
Public protection  
Public ways and facilities  
Health and sanitation  
Public assistance  
Education  
Recreation and culture  
Interest on long-term debt  
Total Governmental Activities

Business-Type Activities

Solid Waste  
Airport  
Campgrounds  
Cemeteries  
Total Business-type Activities

Total Primary Government

**GENERAL REVENUES AND TRANSFERS**

Taxes:

Property  
Sales and use  
Transient occupancy  
Unrestricted investment earnings  
Total General Revenues

**CHANGES IN NET POSITION**

Net Position - Beginning of Year, restated

**NET POSITION, END OF YEAR**

See accompanying notes to the basic financial statements.

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**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS**

# COUNTY OF MONO

Balance Sheet

Governmental Funds

June 30, 2016

	General	Road	Realignment	Mental Health Services Act	Round Fire
<b>ASSETS</b>					
Cash and investments	\$ 10,010,528	\$ 1,002,471	\$ 4,403,642	\$ 4,747,087	\$ 565,174
Accounts receivable	1,088,632	8,300	-	-	-
Due from other governments	2,471,074	333,984	455,265	222,817	1,718,615
Taxes receivable	373,354	-	-	-	-
Due from other funds	9,268	51,896	-	-	-
Advances to other funds	855,000	-	-	-	-
Prepaid expenses	57,083	-	-	-	-
Inventories	1,266	362,993	-	-	-
<b>Total Assets</b>	<b>\$ 14,866,205</b>	<b>\$ 1,759,644</b>	<b>\$ 4,858,907</b>	<b>\$ 4,969,904</b>	<b>\$ 2,283,789</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 734,898	\$ 42,996	\$ -	\$ 6,187	\$ 1,743,133
Salaries and benefits payable	2,258,754	180,057	-	67,303	-
Due to other funds	51,896	-	-	-	-
Deposits from others	800	-	-	-	-
Unearned revenues	1,227,183	-	-	-	-
<b>Total Liabilities</b>	<b>4,273,531</b>	<b>223,053</b>	<b>-</b>	<b>73,490</b>	<b>1,743,133</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	955,484	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable	913,349	362,993	-	-	-
Restricted	-	1,173,598	4,858,907	4,896,414	-
Committed	-	-	-	-	540,656
Assigned	4,707,990	-	-	-	-
Unassigned	4,015,851	-	-	-	-
<b>Total Fund Balances</b>	<b>9,637,190</b>	<b>1,536,591</b>	<b>4,858,907</b>	<b>4,896,414</b>	<b>540,656</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 14,866,205</b>	<b>\$ 1,759,644</b>	<b>\$ 4,858,907</b>	<b>\$ 4,969,904</b>	<b>\$ 2,283,789</b>

See accompanying notes to the basic financial statements.



Other Governmental	Total	
<b>ASSETS</b>		
\$ 6,869,431	\$ 27,598,333	Cash and investments
48,073	1,145,005	Accounts receivable
1,027,792	6,229,547	Due from other governments
-	373,354	Taxes receivable
107,253	168,417	Due from other funds
-	855,000	Advances to other funds
20,449	77,532	Prepaid expenses
-	364,259	Inventories
\$ 8,072,998	\$ 36,811,447	Total Assets
<b>LIABILITIES</b>		
\$ 564,802	\$ 3,092,016	Accounts payable
376,610	2,882,724	Salaries and benefits payable
116,521	168,417	Due to other funds
-	800	Deposits from others
132,219	1,359,402	Unearned revenues
1,190,152	7,503,359	Total Liabilities
<b>DEFERRED INFLOWS OF RESOURCES</b>		
494,591	1,450,075	Unavailable revenues
<b>FUND BALANCES</b>		
20,449	1,296,791	Nonspendable
6,104,103	17,033,022	Restricted
-	540,656	Committed
359,706	5,067,696	Assigned
(96,003)	3,919,848	Unassigned
6,388,255	27,858,013	Total Fund Balances
\$ 8,072,998	\$ 36,811,447	Total Liabilities, Deferred Inflows of Resources and Fund Balances

See accompanying notes to the basic financial statements.

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## COUNTY OF MONO

### Reconciliation of the Balance Sheet to the Statement of Net Position

#### Governmental Funds and Activities

June 30, 2016

Fund balance - total governmental funds \$ 27,858,013

Amounts reported for governmental activities in the statement of net position are different because:

Certain amounts are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.

Other post employment benefit asset	4,428,309
Deferred outflow amounts related to pensions	3,870,078
Deferred inflow amounts related to pensions	(4,334,316)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds

35,718,628

Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.

1,450,075

Internal service funds are used by management to charge the cost of motor pool, copier pool, insurance and other activities to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.

3,330,113

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	(2,161,600)
Compensated absences	(3,192,000)
Net pension liability	(37,824,902)
Interest payable	(7,751)

Net position of governmental activities

\$ 29,134,647

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2016

	General	Road	Realignment	Mental Health Services Act
<b>REVENUES</b>				
Taxes	\$ 23,495,253	\$ -	\$ -	\$ -
Licenses and permits	368,745	13,200	-	-
Fines, forfeitures and penalties	750,906	52,960	-	-
Use of money and property	105,494	(1,671)	34,502	36,794
Intergovernmental	4,773,034	6,331,023	3,782,862	1,603,078
Charges for services	3,097,371	450,138	-	-
Other revenues	129,503	7,746	-	5,706
Total Revenues	<u>32,720,306</u>	<u>6,853,396</u>	<u>3,817,364</u>	<u>1,645,578</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,893,616	-	-	-
Public protection	15,370,785	-	-	-
Public ways and facilities	-	5,321,220	-	-
Health and sanitation	3,771,351	-	-	1,010,044
Public assistance	46,849	-	-	-
Education	39,784	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other related costs	-	-	-	-
Capital outlay				
Total Expenditures	<u>28,122,385</u>	<u>5,321,220</u>	<u>-</u>	<u>1,010,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,597,921</u>	<u>1,532,176</u>	<u>3,817,364</u>	<u>635,534</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,351,342	615,000	-	-
Transfers out	(2,115,831)	-	(1,986,324)	-
Total Other Financing Sources and (Uses)	<u>(764,489)</u>	<u>615,000</u>	<u>(1,986,324)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	3,833,432	2,147,176	1,831,040	635,534
Fund Balances, Beginning of Year, restated	<u>5,803,758</u>	<u>(610,585)</u>	<u>3,027,867</u>	<u>4,260,880</u>
<b>FUND BALANCE, END OF THE YEAR</b>	<u>\$ 9,637,190</u>	<u>\$ 1,536,591</u>	<u>\$ 4,858,907</u>	<u>\$ 4,896,414</u>

See accompanying notes to the basic financial statements.

Round Fire	Other Governmental	Total	
<b>REVENUES</b>			
\$ -	\$ 199,311	\$ 23,694,564	Taxes
-	278,875	660,820	Licenses and permits
-	103,270	907,136	Fines, forfeitures and penalties
3,582	45,468	224,169	Use of money and property
1,788,540	9,163,237	27,441,774	Intergovernmental
-	686,604	4,234,113	Charges for services
170,312	774,108	1,087,375	Other revenues
<u>1,962,434</u>	<u>11,250,873</u>	<u>58,249,951</u>	Total Revenues
<b>EXPENDITURES</b>			
Current:			
-	347,699	9,241,315	General government
-	1,867,142	17,237,927	Public protection
1,781,099	-	7,102,319	Public ways and facilities
-	4,218,517	8,999,912	Health and sanitation
-	4,534,516	4,581,365	Public assistance
-	-	39,784	Education
Debt service:			
-	647,700	647,700	Principal
-	115,754	115,754	Interest and other related costs
-	378,428	378,428	Capital outlay
<u>1,781,099</u>	<u>12,109,756</u>	<u>48,344,504</u>	Total Expenditures
Excess (Deficiency) of Revenues Over			
<u>181,335</u>	<u>(858,883)</u>	<u>9,905,447</u>	(Under) Expenditures
<b>OTHER FINANCING SOURCES (USES)</b>			
-	2,449,830	4,416,172	Transfers in
-	(538,564)	(4,640,719)	Transfers out
-	<u>1,911,266</u>	<u>(224,547)</u>	Total Other Financing Sources and (Uses)
181,335	1,052,383	9,680,900	<b>NET CHANGES IN FUND BALANCES</b>
<u>359,321</u>	<u>5,335,872</u>	<u>18,177,113</u>	Fund Balances, Beginning of Year, restated
<u>\$ 540,656</u>	<u>\$ 6,388,255</u>	<u>\$ 27,858,013</u>	<b>FUND BALANCE, END OF THE YEAR</b>

See accompanying notes to the basic financial statements.

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## COUNTY OF MONO

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
Governmental Funds and Activities  
For the Year Ended June 30, 2016

Net change to fund balances - total governmental funds		\$	9,680,900
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Expenditures for general capital assets, infrastructure, and other related capital	2,245,449		
Less: current year depreciation	<u>(2,833,374)</u>		(587,925)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds (unavailable revenues). In the statement of activities, revenues have been reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year.			
			(1,965,111)
Pension contributions made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the statement of net position.			
			3,212,298
Long-term debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			
Principal repayments			647,700
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 the governmental funds.			
Change in compensated absences	(107,077)		
Change in accrued interest	<u>3,278</u>		(103,799)
Other post employment benefits are reported as an expenditure when contributions are made in the governmental funds, but are deferred outflows for contributions made in excess of required amounts.			
			1,116,365
Changes to the net pension liability and pension related deferred outflows or inflows of resources do not provide or require the use of current financial resources and therefore are not reported as expenditures in governmental funds			
			(1,676,089)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds activities is reported with governmental activities.			
			<u>(401,734)</u>
Change in net position of governmental activities		\$	<u>9,922,605</u>

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

## Statement of Fund Net Position

### Proprietary Funds

June 30, 2016

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 2,009,458	\$ 203,022	\$ 81,817	\$ 2,294,297	\$ 965,578
Cash with fiscal agent	74,430	-	-	74,430	62,557
Accounts receivable	288,040	-	455	288,495	-
Due from other governments	16,042	-	-	16,042	-
Deposits with others	-	-	-	-	2,894,060
Inventory	-	2,112	-	2,112	-
Total Current Assets	<u>2,387,970</u>	<u>205,134</u>	<u>82,272</u>	<u>2,675,376</u>	<u>3,922,195</u>
Noncurrent Assets:					
Restricted cash in Treasury	3,041,508	-	-	3,041,508	-
Capital assets:					
Non-depreciable	52,800	233,335	-	286,135	-
Depreciable, net	827,011	5,303,074	-	6,130,085	1,339,509
Total Noncurrent Assets	<u>3,921,319</u>	<u>5,536,409</u>	<u>-</u>	<u>9,457,728</u>	<u>1,339,509</u>
Total Assets	<u>6,309,289</u>	<u>5,741,543</u>	<u>82,272</u>	<u>12,133,104</u>	<u>5,261,704</u>
<b>DEFERRED OUTFLOWS</b>					
Deferred amounts related to pensions	59,015	-	-	59,015	31,632
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	105,332	41,433	1,555	148,320	25,084
Salaries and benefits payable	56,359	-	-	56,359	20,777
Interest payable	18,737	-	-	18,737	-
Advances from other funds	195,000	-	-	195,000	-
Refunded certificates of participation	223,300	-	-	223,300	-
Loan payable	66,667	-	-	66,667	-
Compensated absences	28,050	-	-	28,050	-
Claims liability	-	-	-	-	1,658,334
Total Current Liabilities	<u>693,445</u>	<u>41,433</u>	<u>1,555</u>	<u>736,433</u>	<u>1,704,195</u>
Noncurrent Liabilities:					
Advances from other funds	660,000	-	-	660,000	-
Refunded certificates of participation	2,182,700	-	-	2,182,700	-
Compensated absences	50,187	-	-	50,187	-
Closure and post closure liability	7,029,163	-	-	7,029,163	-
Net pension liability	767,312	-	-	767,312	240,602
Total Noncurrent Liabilities	<u>10,689,362</u>	<u>-</u>	<u>-</u>	<u>10,689,362</u>	<u>240,602</u>
Total Liabilities	<u>11,382,807</u>	<u>41,433</u>	<u>1,555</u>	<u>11,425,795</u>	<u>1,944,797</u>
<b>DEFERRED INFLOWS</b>					
Deferred amounts related to pensions	59,341	-	-	59,341	18,426
<b>NET POSITION</b>					
Net investment in capital assets	813,144	5,536,409	-	6,349,553	1,339,509
Restricted	-	-	30,222	30,222	-
Unrestricted	(5,886,988)	163,701	50,495	(5,672,792)	1,990,604
Total Net Position	<u>\$ (5,073,844)</u>	<u>\$ 5,700,110</u>	<u>\$ 80,717</u>	<u>\$ 706,983</u>	<u>\$ 3,330,113</u>

See accompanying notes to the basic financial statements.



# COUNTY OF MONO

## Statement of Revenues, Expenses and Changes in Fund Net Position

### Proprietary Funds

For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental	
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,821,671	\$ 7,721	\$ 39,446	\$ 2,868,838	\$ 1,912,082
Total Operation Revenues	<u>2,821,671</u>	<u>7,721</u>	<u>39,446</u>	<u>2,868,838</u>	<u>1,912,082</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	751,174	-	-	751,174	379,474
Services and supplies	1,025,029	128,936	38,293	1,192,258	1,823,096
Closure and post closure costs	(143,107)	-	-	(143,107)	-
Depreciation and amortization	32,642	297,946	-	330,588	446,657
Total Operating Expenses	<u>1,665,738</u>	<u>426,882</u>	<u>38,293</u>	<u>2,130,913</u>	<u>2,649,227</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,155,933</u>	<u>(419,161)</u>	<u>1,153</u>	<u>737,925</u>	<u>(737,145)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	40,821	3,124	711	44,656	27,159
interest expense	(112,424)	-	-	(112,424)	-
Operating grants	20,000	20,000	-	40,000	-
Miscellaneous	15,768	-	-	15,768	52,153
Gain (loss) on sale of capital assets	-	-	-	-	31,552
Total Non-Operating Revenues (Expenses)	<u>(35,835)</u>	<u>23,124</u>	<u>711</u>	<u>(12,000)</u>	<u>110,864</u>
Income (Loss) Before Capital Contributions and Transfers	1,120,098	(396,037)	1,864	725,925	(626,281)
Capital contributions	-	22,884	-	22,884	-
Transfers in	-	-	-	-	224,547
<b>CHANGE IN NET POSITION</b>	<u>1,120,098</u>	<u>(373,153)</u>	<u>1,864</u>	<u>748,809</u>	<u>(401,734)</u>
Net Position, Beginning of Year, restated	<u>(6,193,942)</u>	<u>6,073,263</u>	<u>78,853</u>	<u>(41,826)</u>	<u>3,731,847</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ (5,073,844)</u>	<u>\$ 5,700,110</u>	<u>\$ 80,717</u>	<u>\$ 706,983</u>	<u>\$ 3,330,113</u>

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

## Statement of Cash Flows

### Proprietary Funds

For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental	
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers	\$ 2,856,958	\$ 7,692	\$ 38,991	\$ 2,903,641	\$ -
Cash receipts from internal fund services provided	-	-	-	-	1,650,854
Cash paid to employees for services	(654,308)	-	-	(654,308)	(261,121)
Cash paid to suppliers for goods and services	(982,349)	(88,069)	(39,754)	(1,110,172)	(1,382,794)
Net Cash Provided (Used) by Operating Activities	<u>1,220,301</u>	<u>(80,377)</u>	<u>(763)</u>	<u>1,139,161</u>	<u>6,939</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Payment on advances from other funds	(195,000)	-	-	(195,000)	-
Miscellaneous receipts	15,768	-	-	15,768	52,153
Operating grants	20,000	20,000	-	40,000	-
Repayment of debt not attributable to capital purposes	(214,600)	-	-	(214,600)	-
Interest paid	(112,424)	-	-	(112,424)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(486,256)</u>	<u>20,000</u>	<u>-</u>	<u>(466,256)</u>	<u>52,153</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital grants	-	22,884	-	22,884	-
Transfers in for capital asset purchases	-	-	-	-	224,547
Payments related to the acquisition of capital assets	(52,800)	-	-	(52,800)	(635,250)
Proceeds from the sale of capital assets	-	-	-	-	31,552
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(52,800)</u>	<u>22,884</u>	<u>-</u>	<u>(29,916)</u>	<u>(379,151)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	40,821	3,124	711	44,656	27,159
Net Cash Provided by Investing Activities	<u>40,821</u>	<u>3,124</u>	<u>711</u>	<u>44,656</u>	<u>27,159</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	722,066	(34,369)	(52)	687,645	(292,900)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,403,330</u>	<u>237,391</u>	<u>81,869</u>	<u>4,722,590</u>	<u>1,321,035</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 5,125,396</u>	<u>\$ 203,022</u>	<u>\$ 81,817</u>	<u>\$ 5,410,235</u>	<u>\$ 1,028,135</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Position</b>					
Cash and investments	\$ 2,009,458	\$ 203,022	\$ 81,817	\$ 2,294,297	\$ 965,578
Cash with fiscal agent	74,430	-	-	74,430	62,557
Restricted cash in Treasury	3,041,508	-	-	3,041,508	-
<b>Total Cash and Cash Equivalents</b>	<u>\$ 5,125,396</u>	<u>\$ 203,022</u>	<u>\$ 81,817</u>	<u>\$ 5,410,235</u>	<u>\$ 1,028,135</u>

continued

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

Statement of Cash Flows (continued)

Proprietary Funds

For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 1,155,933	\$ (419,161)	\$ 1,153	\$ 737,925	\$ (737,145)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	32,642	297,947	-	330,589	446,657
Changes in assets and liabilities					
Receivables	35,287	70	(455)	34,902	-
Deposits with others	-	-	-	-	120,244
Deferred outflows	(87,249)	-	-	(87,249)	(36,379)
Accounts payable	42,680	40,867	(1,461)	82,086	(216,407)
Accrued salaries and benefits	5,419	-	-	5,419	1,317
Unearned revenue	-	(100)	-	(100)	-
Claims liability	-	-	-	-	275,237
Closure and postclosure liability	(143,107)	-	-	(143,107)	-
Liability for compensated absences	(6,519)	-	-	(6,519)	-
Net pension liability	156,268	-	-	156,268	139,903
Deferred inflows	28,947	-	-	28,947	13,512
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,220,301</b>	<b>\$ (80,377)</b>	<b>\$ (763)</b>	<b>\$ 1,139,161</b>	<b>\$ 6,939</b>

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2016

	Investment Trust	Agency
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Pooled Cash and investments	\$ 38,905,824	\$ 18,871,947
	<u>                    </u>	<u>                    </u>
Total Assets	<u>38,905,824</u>	<u>18,871,947</u>
<b>LIABILITIES</b>		
Agency funds held for others	-	18,871,947
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>-</u>	<u>18,871,947</u>
<b>NET POSITION</b>		
Net position held in trust for investment pool participants	38,905,824	-
	<u>                    </u>	<u>                    </u>
Total Net Position	<u>\$ 38,905,824</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

# COUNTY OF MONO

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2016

	Investment Trust
<b>ADDITIONS</b>	
Contributions	\$ 67,147,702
Investment income	351,276
	<hr/>
Total Additions	67,498,978
	<hr/>
<b>DEDUCTIONS</b>	
Distributions	64,862,353
	<hr/>
Total Deductions	64,862,353
	<hr/>
<b>CHANGE IN NET POSITION</b>	2,636,625
	<hr/>
Net Position, Beginning of Year	36,269,199
	<hr/>
<b>NET POSITION, END OF THE YEAR</b>	<b>\$ 38,905,824</b>
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See accompanying notes to the basic financial statements.

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## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Mono (the County) conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The more significant of the County's accounting policies are described below.

#### A. **The Reporting Entity**

The County is a legal subdivision of the State of California whereby it can exercise the powers specified by the constitution and statutes of the State of California. The County operates under an Administrator-Board of Supervisors form of government with legislative and executive control held by an elected five member Board of Supervisors. Major services provided by the County to its citizens include public protection, public ways and facilities, health and sanitation, public assistance, education, culture and recreation, and general services. In addition, the County administers various special districts governed by the Board and provides services to other special districts governed by independent local boards. These special districts are located within the boundaries of the County and were established under various sections of the California Government Code. The County provides fiscal agent and accounting services to many of these districts.

These financial statements present the County (the primary government) and its component units, entities for which the government considers itself financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 61, "*Financial Reporting Entity: Omnibus*". Reporting for component units on the County's financial statements is either blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations because the County's Board generally is their governing body. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each component unit has a June 30<sup>th</sup> year end.

#### Blended Component Units

There are four entities which meet the criteria of a blended component unit. These dependent entities 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. The County of Mono Economic Development Corporation is also a blended component unit. The governing body of the Corporation is the County's governing body. The Corporation was formed to assist with financing public improvements of the County.

#### 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 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

## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

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 presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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.

#### *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 goods or services are provided by the fund as part of its principal activity and result from exchange transactions. 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. Operating expenses include the costs of providing services and delivering goods. All other expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund and 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, recreation and cultural services and general administration.
- The *Road Fund* provides for maintenance and construction of roadways. Revenues consist primarily of the County's share of state highway users tax supplemented by federal and state funds.
- The *Realignment Fund* accounts for State realigned revenues generated from sales taxes and vehicle license fees that are restricted to expenditure for specific social, health, mental health and public safety programs..
- The *Mental Health Services Act Fund* accounts for Proposition 63 funding passed in 2004 to expand and further develop mental health services in the County. It uses state funding to provide services such as wellness center programs, school programs, community garden projects and community social events.
- The *Round Fire Fund* accounts for transactions related to the Round Fire disaster that occurred in 2015. It is classified as a major fund because this year's transactions are significant but it is a temporary fund that will be closed out once all transactions relating to the disaster have cleared.



## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

The County reports the following major enterprise funds:

- The *Solid Waste Fund* accounts for revenues and expenses incurred in providing waste collection services at transfer stations throughout the County and waste disposal services at three County landfills. The Division oversees the permitting, monitoring and maintenance of the County's three active landfills, as well as three closed landfills. The Division also oversees and implements recycling programs throughout the County in an effort to maintain and enhance diversion efforts.
- The *Airport Fund* accounts for the operation and maintenance of the County's two airports that include Bryant Field and Lee Vining Airport. Airport operations include applying for and administering grants to complete Airport Capital Improvement Programs and administration of leases and sub-leases on airport property.

The County reports the following additional fund types:

- *Internal Service Funds* account for financing of goods or services provided by one department to other County departments on a cost reimbursement basis. Activities include the County's copier pool which purchases and maintains copy machines, technology refresh pool which accounts for the replacement of county desktop computers, laptops, servers and other technology items, self-insurance programs, and the County's motor pool which purchases and maintains vehicles.
- The *Investment Trust Fund* accounts for the assets of legally separate entities, which invest in the County Treasurer's investment pool. These entities include school districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for the County's one incorporated town. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- *Agency Funds* account for assets held by the County as an agent for various individuals or other local governments. These funds are custodial in nature and do not involve measurement of results or operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

### C. Basis of Accounting

The government-wide, proprietary and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes 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. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. 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

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

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.

Agency funds apply the accrual basis of accounting but do not have a measurement focus.

### D. Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, investments generally are stated at fair value in the statement of net position and balance sheet and the corresponding changes in the fair value of investments are recognized in the year in which the change occurred.

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 fair value of investments is determined annually. Interest earned on pooled investments is apportioned quarterly to certain participating funds based on each fund's respective average daily balance for that quarter with all remaining interest deposited in the County's General Fund.

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 and investments to be cash equivalents.

### E. Restricted Cash and Investments

Restricted assets in the enterprise funds represent cash and investments held to finance closure and postclosure costs as required by state and federal laws and regulations.

### F. Inventory

Inventories consist of materials and supplies held for consumption and are valued at cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as expenditures at the time individual inventory items are consumed. Inventories in the governmental funds are equally offset by a corresponding nonspendable fund balance amount, which indicates that inventories do not represent expendable available resources.

### G. Receivables, Unavailable Revenue and Unearned Revenue

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 included. Governmental funds report unavailable revenue in connection with these receivables not considered available within the 60 day period. Governmental and enterprise funds report unearned revenue in connection with resources received, but eligibility requirements have not been satisfied.

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

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

### H. Prepaid Expenses/Items and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. Payments made in advance of the receipt of goods or property is recorded as deposits. The cost of prepaid expense is recorded an expense when consumed rather than when purchased. Prepaid expenses and deposits in the governmental fund financial statements are equally offset by a corresponding nonspendable fund balance amount, which indicates that prepaid expenses and deposits do not represent expendable available resources.

### I. Capital Assets

Capital assets include land, land improvements, buildings and improvements, machinery and equipment, infrastructure (e.g. roads, bridges, sidewalks, and similar items), and intangible assets (e.g. land easements and computer software). Assets that are purchased or constructed are reported at historical costs or at estimated historical cost is actual cost is not available. Donated capital assets are valued at their estimated acquisition value on the date of donation.

Normal maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital outlays are recorded as expenditures in the governmental funds and as additions to capital assets in the proprietary and the government-wide financial statements, in accordance with the County's capitalization policy. 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) in the government-wide statements and proprietary funds using the straight-line method over the lesser of the capital lease period or their estimated useful lives.

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.

### J. Deferred Outflows/Inflows of Resources

The County recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position that is applicable to a future reporting period.

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### K. Net Position/Fund Balance

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- *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.

When both restricted and unrestricted net position are available, the County considers restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, governmental funds report fund balance in the following categories based primarily on the extent to which the county is bound to honor constraints on how specific amounts can be spent:

- *Nonspendable fund balance* – Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact.
- *Restricted fund balance* – Amounts with constraints placed on their use that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments. Constraints may also be imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – Amounts that can only be used for specific purposes determined by formal action of the Board of Supervisors and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur prior to the end of the reporting period. The amount subject to the constraint may be determined in the subsequent period.
- *Assigned fund balance* – Amounts that are constrained by the County's intent to use resources for specific purposes. Intent can be expressed by the Board of Supervisors or by an official or body designated for that purpose. This is also the classification for residual fund balance in all governmental funds other than the General Fund.
- *Unassigned fund balance* – The residual classification for the County's General Fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if the expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes (i.e., deficit fund balance).

The Board of Supervisors establishes, modifies or rescinds fund balance commitments by passage of a resolution or an ordinance, each resulting in equally binding constraints.

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

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.

### L. Property Tax Revenue

Property taxes, including tax rates, are regulated by the State and are administered locally by the County. The County is responsible for assessing, collecting and distributing property taxes in accordance with state law. 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. 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. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

All general property taxes are allocated to the various taxing entities per the legislation implementing Article XIII of the California Constitution (commonly referred to as Proposition 13). 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). General property taxes are based on a flat one percent rate applied to the property's assessed value. Absence the change in valuation described above, taxable values on properties can rise at a maximum rate of two percent per year. The method of allocation used by the County is subject to review by the State of California. The County recognizes property tax revenues in the period for which the taxes are levied subject to the availability criteria in the governmental funds financial statements.

### M. Interfund Transactions

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

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

### N. Compensated Absences

Under the terms of union contracts, the County grants employees vacation and sick leave in varying amounts depending upon their respective bargaining unit. Vacation pay is subject to certain maximum accumulations and is payable upon termination. Sick leave may be accumulated without limitation and is payable upon termination at varying amounts depending on bargaining unit and length of service.

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

Because vacation, sick leave and other compensated absence balances do not require the use of current financial resources, no liability is recorded within the governmental funds. However, this liability is reflected in the government-wide statement of net position. In proprietary funds, the liability for compensated absences is recorded in the period that the benefits accrue to employees.

### O. Pensions

In the government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The County recognizes a net pension liability for each qualified pension plan in which it participated, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the County's fiscal year-end or the County's proportionate share thereof in the case of a cost-sharing multiple-employer plan.

Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows or outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows or outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose.

Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows or outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

### P. Estimates

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

### Q. Implementation of New Accounting Pronouncements

The requirements of the following GASB Statements are effective for the purpose of implementation, if applicable to the County, for the fiscal year ended June 30, 2016:

**GASB Statement No. 72**, *Fair Value Measurement and Application*, is effective for reporting periods beginning after June 15, 2015 (FY 2015/16). The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements.

**GASB Statement No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, is effective for reporting periods beginning after June 15, 2015 (FY 2015/16). The objective of this Statement is to improve the usefulness of information about pensions included in the general-purpose external financial reports of state and local governments for making decisions and assessing accountability. This statement did not impact the County's financial statements.

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**GASB Statement No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, is effective for reporting periods beginning after June 15, 2015 (FY 2015/16). The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP).

### R. Future Pronouncements

The County is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

**GASB Statement No. 74**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, is effective for reporting periods beginning after June 15, 2016. (FY 2016/17) The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

**GASB Statement No. 75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for fiscal years beginning after June 15, 2017. (FY 2017/18) The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

**GASB Statement No. 77**, *Tax Abatement Disclosures*, is effective for fiscal years beginning after December 15, 2015. (FY 2016/17) The objective of this Statement is to provide transparency in financial statements prepared by state and local governments in conformity with generally accepted accounting principles, provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability.

**GASB Statement No. 78**, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, is effective for reporting periods beginning after December 15, 2015. (FY 2016/17) The objective of this Statement is to address certain pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

**GASB Statement No. 79**, *Certain External Investment Pools and Pool Participants*, is effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. (FY 2016/17) The objective of this Statement is to address accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

**GASB Statement No. 80**, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, is effective for reporting periods beginning after June 15, 2016. (FY 2016/17) The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

**GASB Statement No. 81**, *Irrevocable Split-Interest Agreements*, is effective for reporting periods beginning after December 15, 2015. (FY 2017/18) The objective of this Statement is to improve accounting and financial reporting

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

**GASB Statement No. 82, *Pension Issues***—an amendment of GASB Statements No. 67, No. 68, and No. 73, is effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. (FY 2016/17) The objective of this Statement is to address issues regarding (1) the presentation of payroll-related measure in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

### NOTE 2: CASH AND INVESTMENTS

Total County cash and investments at June 30, 2016 were as follows:

Imprest cash	\$	770
Deposits in bank		5,256,016
		<u>5,256,786</u>
Investments:		
In Treasurer's pool		71,931,494
With fiscal agents external to the pool		14,626,194
		<u>86,557,688</u>
Total Cash and Investments	\$	<u>91,814,474</u>

Cash and investments were presented in the County's financial statements as follows:

Primary government	\$	34,036,703
Investment trust fund		38,905,824
Agency funds		18,871,947
	\$	<u>91,814,474</u>

### Investments

The County Treasurer, in accordance with investment policy guidelines and California Government Code, invests the County's cash and investments. The objectives of the policy include safety of principal, liquidity and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments. A copy of the county investment policy is available upon request from the Mono County Treasurer at P.O Box 556, Bridgeport CA 93517-0556.



## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. The Treasury Oversight Committee has oversight for all monies deposited into the Treasury Pool. The Committee requires an annual audit to ensure the County's Investment Portfolio complies with its policy and California Government Code Section 53601.

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.

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. Not addressed in the table are investments with external agents external to the pool. A separate investment policy governs these investments.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Federal Agency Obligations	5 years	None	None
U.S. Treasury Bills	5 years	None	None
Local Agency Bonds and Obligations	5 years	None	None
State of California Notes & Bonds	5 years	None	None
Notes & Bonds of Other 49 States	5 years	None	None
Supranational Bonds	5 years	30%	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper - Selected Agencies	270 days	40%	10%
Commercial or Savings Bank and Credit Union	N/A	30%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Reverse Repurchase Agreements	92 days	20%	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

At June 30, 2016, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
<b>Investments in Investment Pool</b>					
Federal Agency Issues - Coupon	.625% - 2.1%	11/01/16-5/24/21	\$ 22,000,000	\$ 21,987,800	3.37
Medium Term Corporate Bonds	.90% - 2.35%	1/15/17-11/3/20	5,500,000	5,524,026	1.84
Negotiable Certificates of Deposit	.50% - 2.25%	7/29/16-5/5/21	10,000,000	9,999,482	2.24
Municipal Bonds	.00%-2.096%	10/1/16-8/1/20	5,945,000	5,959,568	1.52
Treasury Loans	1.25%	6/30/2019	198,014	198,014	3.00
LAIF	Variable	On Demand	28,262,604	28,262,604	0.00
Total investments in investment pool			\$ 71,905,618	\$ 71,931,494	1.62
<b>Investments outside Investment Pool</b>					
<i>Cash held with fiscal agent</i>					
Money Market Mutual Funds	Variable	On Demand	\$ 14,626,194	\$ 14,626,194	

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The general rule is the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter term and longer-term investments and by timing maturities to provide the necessary cash flow and liquidity needed for operations. The benchmark used by the County is to limit the weighted average maturity (WAM) of its investment portfolio to two years or less in accordance with its investment policy.

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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 impose 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 pooled investments at June 30, 2016.

	<u>Quality Rating Range</u>	<u>% of Portfolio</u>
Municipal Bonds	AAA to A1	8.30%
Federal Agency Issues - Coupon	AAA to AA+	30.60%
Local Agency Investment Fund (LAIF)	Unrated	39.11%
Negotiable Certificates of Deposit	Unrated	14.03%
Medium Term Corporate Notes	AAA to A1	7.69%
Treasury Loans	Unrated	0.27%
Total		<u>100.00%</u>

The County investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (Other than U.S. Treasury securities, mutual funds or external investment pools) that represent 5 percent or more of the total County pooled investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage Holdings</u>	<u>Amount</u>
Federal National Mortgage Association	Federal Agency Obligations	8.32%	\$ 5,982,701
Federal Home Loan Mortgage Corporation	Federal Agency Obligations	12.52%	9,006,204
Federal Farm Credit Banks	Federal Agency Obligations	5.56%	3,999,713

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal to at least 110% of the total amount deposited by the public agencies.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

The County considered none of its deposits or investments at June 30, 2016, unnecessarily 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.

The County's total investment in the Local Agency Investment Fund (LAIF), managed by the Treasurer for the State of California was \$28,262,604. The total amount invested by all public agencies in LAIF at June 30, 2016, was \$73.4 billion, the majority of which is invested in non-derivative financial products. The average maturity of PMIA investments was 167 days as of June 30, 2016. The value of pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the pooled treasury's portion in the pool.

### 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 and for the fiscal year ended June 30, 2016:

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### Statement of Net Position

Net position held for pool participants	\$ 77,051,293
Equity of external pool participants	\$ 38,905,824
Equity of internal pool participants	38,145,469
Total net position	<u>\$ 77,051,293</u>

### Statement of Changes in Net Position

Net position at July 1, 2015	\$ 69,167,639
Net change in investments by pool participants	7,883,654
Net position at June 30, 2016	<u>\$ 77,051,293</u>

### Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets for identical assets.
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3: Investments reflect prices based upon unobservable sources which reflect the County's own assumptions about the inputs market participants would use in pricing the asset. Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

The Pool has the following recurring fair value measurements as of June 30, 2016:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments in Investment Pool</b>				
Federal Agency Issues - Coupon	\$ 21,987,800	\$ -	\$ 21,987,800	\$ -
Medium Term Corporate Bonds	5,524,026	-	5,524,026	-
Negotiable Certificates of Deposit	9,999,482	-	9,999,482	-
Municipal Bonds	5,959,568	-	5,959,568	-
Total investments measured at fair value	<u>43,470,876</u>	<u>-</u>	<u>43,470,876</u>	<u>-</u>
<b>Investments measured at amortized cost</b>				
Treasury Loans	198,014			
LAIF	28,262,604			
Total investments in Investment Pool	<u>\$ 71,931,494</u>			

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**NOTE 3: INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2016, is as follows:

***Due to/from other funds:***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 9,268
Road	General Fund	51,896
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>107,253</u>
		<u><u>\$ 168,417</u></u>

The above balances reflect temporary loans to cover cash deficits at June 30 and the time lag between the dates when transactions are recorded and payments are made between funds.

***Advances to/from other funds:***

Advances to/from other funds represent interfund loans not anticipated to be paid within the subsequent year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	<u>\$ 855,000</u>
		<u><u>\$ 855,000</u></u>

The above represents two interest-free loans provided to the Solid Waste Fund. During the 2010/11 budget year, the Board of Supervisors approved an interest-free loan to the Mono County Solid Waste Enterprise Fund of \$1,200,000, as the Solid Waste Enterprise Fund reorganized and adjusted expenses and revenues (fee restructure). Repayment is amortized over ten (10) years, with zero percent (0%) interest and a repayment amount of \$30,000 quarterly, or \$120,000 annually. Final payment is scheduled for June 30, 2020. The balance of this loan as of June 30, 2016, was \$480,000.

The Board of Supervisors approved a second loan during the 2011/12 budget year for \$750,000. Repayment term is amortized over ten (10) years, with zero percent (0%) interest and a repayment amount of \$18,750 quarterly, or \$75,000 annually. Final payment is scheduled for June 30, 2021. The balance of this loan as of June 30, 2016, was \$375,000.

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

***Transfers:***

Transfers are indicative of funding for capital projects, debt service, subsidies of various County operations and re-allocations of special revenues.

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Road	\$ 615,000
	Nonmajor Governmental Funds	1,500,831
		<u>2,115,831</u>
Realignment Fund	General Fund	1,177,102
	Nonmajor Governmental Funds	809,222
		<u>1,986,324</u>
Nonmajor Governmental Funds	General Fund	174,240
	Nonmajor Governmental Funds	139,777
	Internal Service Funds	224,547
		<u>538,564</u>
	Total	<u>\$ 4,640,719</u>

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Transfers	Retirements	Balance June 30, 2016
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 6,793,617	\$ --	\$ --	\$ --	\$ 6,793,617
Construction in progress	4,171,194	513,214	(2,707,432)	--	1,976,976
Total capital assets, not being depreciated	<u>10,964,811</u>	<u>513,214</u>	<u>(2,707,432)</u>	<u>--</u>	<u>8,770,593</u>
Capital assets, being depreciated:					
Infrastructure	89,814,386	1,690,413	2,249,259	--	93,754,058
Structures and improvements	18,100,383	18,927	458,173	--	18,577,483
Equipment	17,322,582	658,144	--	(705,541)	17,275,185
Intangibles	1,148,577	--	--	--	1,148,577
Total capital assets, being depreciated	<u>126,385,928</u>	<u>2,367,484</u>	<u>2,707,432</u>	<u>(705,541)</u>	<u>130,755,303</u>
Less accumulated depreciation for:					
Infrastructure	(76,382,172)	(2,102,125)	--	--	(78,484,297)
Structures and improvements	(7,900,098)	(481,655)	--	--	(8,381,753)
Equipment	(14,512,264)	(675,492)	--	705,541	(14,482,215)
Intangibles	(1,098,736)	(20,758)	--	--	(1,119,494)
Total accumulated depreciation	<u>(99,893,270)</u>	<u>(3,280,030)</u>	<u>--</u>	<u>705,541</u>	<u>(102,467,759)</u>
Total capital assets, being depreciated, net	<u>26,492,658</u>	<u>(912,546)</u>	<u>2,707,432</u>	<u>--</u>	<u>28,287,544</u>
Governmental activities capital assets, net	<u>\$ 37,457,469</u>	<u>\$ (399,332)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 37,058,137</u>
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 233,335	\$ 52,800	\$ --	\$ --	\$ 286,135
Total capital assets, not being depreciated	<u>233,335</u>	<u>52,800</u>	<u>--</u>	<u>--</u>	<u>286,135</u>
Capital assets, being depreciated:					
Structures and improvements	7,730,944	--	--	--	7,730,944
Equipment	1,532,463	--	--	--	1,532,463
Total capital assets, being depreciated	<u>9,263,407</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,263,407</u>
Less accumulated depreciation for:					
Structures and improvements	(1,254,398)	(328,887)	--	--	(1,583,285)
Equipment	(1,548,335)	(1,702)	--	--	(1,550,037)
Total accumulated depreciation	<u>(2,802,733)</u>	<u>(330,589)</u>	<u>--</u>	<u>--</u>	<u>(3,133,322)</u>
Total capital assets, being depreciated, net	<u>6,460,674</u>	<u>(330,589)</u>	<u>--</u>	<u>--</u>	<u>6,130,085</u>
Business-type activities capital assets, net	<u>\$ 6,694,009</u>	<u>\$ (277,789)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,416,220</u>

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$	59,550
Public protection		169,024
Public ways and facilities		2,450,219
Health and sanitation		48,772
Public assistance		1,220
Recreation and culture		104,588
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset		<u>446,657</u>
Total Depreciation Expense - Governmental Functions	\$	<u><u>3,280,030</u></u>

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

Solid Waste	\$	32,642
Airport		<u>297,947</u>
Total Depreciation Expense - Business-Type Functions	\$	<u><u>330,589</u></u>

### NOTE 5: LONG-TERM LIABILITIES

#### *Operating Leases*

The County has commitments under long-term operating lease agreements for office space. Total rent expense under operating lease agreements during the year ended June 30, 2016 was \$1,021,858.

Future minimum lease payments required under these operating leases at June 30, 2016, is as follows:

Year Ending June 30:	Governmental Activities
2017	\$ 816,406
2018	873,554
2019	934,703
2020	1,000,132
2021	1,070,141
	<u>\$ 4,694,936</u>



**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

The following is a summary of long-term liabilities transactions for the year ended June 30, 2016:

	Balance July 1, 2015 (Restated)*	Additions	Retirements	Balance June 30, 2016	Due Within One Year
<b>Governmental Activities</b>					
Pension obligation bonds	\$ 2,809,300	\$ -	\$ (647,700)	\$ 2,161,600	\$ 702,100
Compensated absences	3,084,923	1,835,825	(1,728,748)	3,192,000	1,426,914
Net pension liability	35,522,088	6,128,159	(3,584,743)	38,065,504	-
Claims liability	1,383,097	1,290,072	(1,014,835)	1,658,334	1,658,334
Total Governmental Activities					
Long-term liabilities	<u>\$ 42,799,408</u>	<u>\$ 9,254,056</u>	<u>\$ (6,976,026)</u>	<u>\$ 45,077,438</u>	<u>\$ 3,787,348</u>
<b>Business-type Activities</b>					
Refunded certificates of participation	\$ 2,620,600	\$ -	\$ (214,600)	\$ 2,406,000	\$ 223,300
Loan payable	66,667	-	-	66,667	66,667
Net pension liability	611,044	216,909	(60,641)	767,312	-
Compensated absences	84,756	36,711	(43,230)	78,237	28,050
Landfill postclosure cost	7,172,270	-	(143,107)	7,029,163	-
Total Business-type Activities					
Long-term liabilities	<u>\$ 10,555,337</u>	<u>\$ 253,620</u>	<u>\$ (461,578)</u>	<u>\$ 10,347,379</u>	<u>\$ 318,017</u>

\* The 2015 balance of the net pension liability for governmental activities has been restated. See Note 10 for further information.

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. In the Governmental activities, the liabilities for compensated absences and net pension liability are primarily liquidated by the County's general fund and several special revenue funds.

As of June 30, 2016, annual debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2017	\$ 702,100	\$ 85,809
2018	762,900	52,562
2019	116,300	30,921
2020	127,200	25,412
2021	138,800	19,390
2022-2023	314,300	19,451
	<u>\$ 2,161,600</u>	<u>\$ 233,545</u>

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

Year Ending June 30	Business-Type Activities			
	Certificates of Participation		Loans Payable	
	Principal	Interest	Principal	Interest
2017	\$ 223,300	\$ 103,218	\$ 66,667	\$ -
2018	236,800	93,638	-	-
2019	245,200	83,480	-	-
2020	253,400	72,960	-	-
2021	266,400	62,089	-	-
2022-2025	1,180,900	129,297	-	-
	<u>\$ 2,406,000</u>	<u>\$ 544,682</u>	<u>\$ 66,667</u>	<u>\$ -</u>

Long-term debt at June 30, 2016, consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2016
<b><u>Governmental activities</u></b>						
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	\$ 4,612,900	\$ 2,161,600
<b><u>Business-type activities</u></b>						
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	2,406,000
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>66,667</u>
Total business-type activities					<u>\$ 4,109,000</u>	<u>\$ 2,472,667</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 \$7,029,163 reported as closure and postclosure liability in the Solid Waste Fund at June 30, 2016, 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 Basic Financial Statements For the Year Ended June 30, 2016

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, 2016	Landfill Closure and Postclosure Liability at June 30, 2016
Benton Crossing	\$ 4,546,436	\$ 2,165,269	\$ 6,711,705	2,253,100	959,936	1,293,164	57.39%	\$ 3,852,175
Pumice Valley	1,335,167	1,554,020	2,889,187	347,112	231,572	115,540	33.29%	961,696
Walker	1,547,582	1,165,596	2,713,177	340,716	276,398	64,318	18.88%	512,176
Benton*	--	753,485	753,485	--	--	--	0.00%	514,500
Bridgeport*	--	931,861	931,861	--	--	--	0.00%	666,600
Chalfant*	--	729,743	729,743	--	--	--	0.00%	522,016
Total	<u>\$ 7,429,185</u>	<u>\$ 7,299,974</u>	<u>\$ 14,729,158</u>	<u>\$ 2,940,928</u>	<u>\$ 1,467,906</u>	<u>\$ 1,473,022</u>	<u>50.09%</u>	<u>\$ 7,029,163</u>

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

The County will recognize the remaining estimated cost of closure and postclosure care of \$7,699,995 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 2016. 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, 2016, cash and investments of \$3,041,508 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: DEFINED BENEFIT PENSION PLAN

##### **Plan Description**

All qualified permanent and probationary employees of Mono County and Mono County Superior Court (non-judicial employees) are eligible to participate in the County's separate Safety (sheriff, emergency medical services and certain district attorney members) or Miscellaneous (all others) Plans. The County's Safety Plan is a cost-sharing multiple-employer defined benefit plan while the Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (CalPERS), a public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

##### **Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

agency within a prescribed period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are provided to safety members and are based on final compensation. Non-service related disability benefits are provided to both safety and miscellaneous members. The benefit is based on final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired or not.

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to retired members each May based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers for the previous calendar year and is subject to a maximum of 2% per annum.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous		
	Prior to June 1, 2012	On or after June 1, 2012	On or after Jan. 1, 2013
Hire Date	June 1, 2012	June 1, 2012	Jan. 1, 2013
Benefit formula	2.5% @55	2.7% @55	2% @62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	52-67
Monthly benefits, as % of eligible compensation	2.00% -2.50%	2.00% -2.75%	1.00% -2.50%
Required employee contribution rates	8%	8%	6.25%
Required employer contribution rates	21.46%	21.46%	21.46%
Status	Open	Open	Open

## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

	Safety			
	County Peace Officer	Sheriff	Sheriff Tier II	Fire Tier I
Hire Date	Prior to Jan. 1, 2013	Prior to Jan. 1, 2013	On or after Dec. 27, 2012	Prior to July 1, 2007
Benefit formula	3%@50	3%@50	3%@55	3%@50
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	50
Monthly benefits, as % of eligible compensation	3.00%	3.00%	3.00%	3.00%
Required employee contribution rates	11.50%	9.00%	11.50%	9.00%
Required employer contribution rates	27.85%	28.10%	15.43%	27.85%
Status	Open	Open	Open	Open
	Fire Tier II	Pepra-Safety Peace Officer	Pepra-Safety Sheriff	Pepra-Safety Fire
	On or after July 1, 2007/ Prior to Jan. 1, 2013	On or after Jan 1. 2013	On or after Jan 1. 2013	On or after Jan 1. 2013
Hire Date	2%@50	2.7%@57	2.7%@57	2.7%@57
Benefit formula	5 years of service	5 years of service	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life	monthly for life	monthly for life
Benefit payments	50	57	57	57
Retirement age	2.00%	2.70%	2.70%	2.70%
Monthly benefits, as % of eligible compensation	9.00%	11.50%	11.50%	11.50%
Required employee contribution rates	20.92%	11.50%	11.50%	11.50%
Required employer contribution rates	Open	Open	Open	Open
Status				

### Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms for the Miscellaneous Plan. The corresponding data is not available for employees included in the Safety Plan as the plan is a cost-sharing multiple employer plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	297
Inactive employees entitled to but not yet receiving benefits	197
Active employees	203
	<u>697</u>

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

For the year ended June 30, 2016, contributions recognized as part of pension expense for the plan were as follows:

	<u>Total</u>	<u>Miscellaneous</u>	<u>Safety</u>
Governmental activities:			
Governmental funds	\$ 3,574,749	\$ 2,365,922	\$ 1,208,827
Motor Pool ISF	9,994	9,994	-
Total governmental activities	<u>3,584,743</u>	<u>2,375,916</u>	<u>1,208,827</u>
Business type activities			
Solid Waste fund	60,641	60,641	-
	<u>\$ 3,645,384</u>	<u>\$ 2,436,557</u>	<u>\$ 1,208,827</u>

### ***Pension Liabilities***

As of June 30, 2016, the County reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Total</u>	<u>Miscellaneous</u>	<u>Safety</u>
Governmental Activities:			
Governmental funds	\$ 37,824,902	\$ 24,238,162	\$ 13,586,740
Motor Pool ISF	240,602	240,602	-
Total governmental activities	<u>38,065,504</u>	<u>24,478,764</u>	<u>13,586,740</u>
Business type activities			
Solid Waste fund	<u>767,312</u>	<u>767,312</u>	<u>-</u>
Total Mono County	38,832,816	<u>\$ 25,246,076</u>	<u>\$ 13,586,740</u>
Courts	<u>1,660,535</u>		
	<u>\$ 40,493,351</u>		

The County's net pension liability for the Miscellaneous Plan is the plan's liability accounted for separately from all other CalPERS plans. The County's net pension liability for the Safety Plan is the Plan's proportionate share of the net pension liability. The net pension liability of each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures.

For the Safety Plan (a cost-sharing plan), the County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's net pension liability and related Plan proportion for the Safety Plan is as follows:

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

Plan	Plan's Proportion to Total Pool @ June 30, 2014	Plan's Proportion to Total Pool @ June 30, 2015	Plan's Proportionate Share of Net Pension Liability
<b>Safety</b>			
County Peace Officer	0.05989%	0.10745%	\$ 4,427,280
PEPRA - Safety Peace Officer	0.00000%	-0.00001%	(330)
Fire Tier I	0.03757%	0.06733%	2,774,260
Fire Tier II	0.00111%	0.00138%	56,922
PEPRA - Fire	0.00000%	0.00000%	(49)
Sheriff	0.08755%	0.15401%	6,345,936
Sheriff Tier II	0.00000%	-0.00041%	(17,072)
PEPRA - Safety Sheriff	0.00000%	-0.00050%	(207)
			\$ 13,586,740

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by entry age and service	
Investment Rate of Return	7.50% <sup>(1)</sup>	7.50% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership Data for All Funds	

(1) Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of the 2010 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate.

## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until there is a change in methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class.

The long-term expected rate of return includes both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Strategic Allocation	Real Return Years 1-10 <sup>(1)</sup>	Real Return Years 11-60 <sup>(2)</sup>
Global Equity	50.0%	5.25%	5.71%
Global Fixed Income	17.0	0.99	2.43
Inflation Sensitive	4.0	0.45	3.36
Private Equity	14.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	0.0	4.50	5.09
Liquidity	4.0	(0.55)	(1.05)

<sup>(1)</sup> An expected inflation rate of 2.5% used for this period

<sup>(2)</sup> An expected inflation rate of 3.0% used for this period



**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the County's Miscellaneous Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2014</b>	\$ 94,409,811	\$ 69,857,801	\$ 24,552,010
<b>Changes in the year:</b>			
Service cost	2,249,307	-	2,249,307
Interest on total pension liability	6,751,199	-	6,751,199
Changes in assumptions	(1,548,943)	-	(1,548,943)
Differences between expected and actual experience	(1,521,848)	-	(1,521,848)
Contributions from the employer	-	2,408,009	(2,408,009)
Contributions from employees	-	904,733	(904,733)
Net Investment Income	-	1,518,061	(1,518,061)
Benefit payments, including refunds of employee contributions	(4,719,903)	(4,719,903)	-
Administrative expense	-	(77,107)	77,107
Proportional differences between County Courts shares	(481,953)	-	(481,953)
Net Changes	727,859	33,793	694,066
<b>Balance at June 30, 2015</b>	<u>\$ 95,137,670</u>	<u>\$ 69,891,594</u>	<u>\$ 25,246,076</u>

The County's share of the Miscellaneous Plan determined at June 30, 2016 is 93.829 percent of the Plan's total pension liability and fiduciary net position. The remaining 6.171 percent of the Plan's total pension liability and fiduciary net position represents the Mono County Superior Court's share.

**Sensitivity of the Net Pension Liability to Change in the Discount Rate**

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety	Total
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 36,971,404	\$ 21,784,210	\$ 58,755,614
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 25,246,076	\$ 13,586,740	\$ 38,832,816
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 15,477,997	\$ 6,864,965	\$ 22,342,962

## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

For the year ended June 30, 2016, the County recognized pension expense of (\$1,321,208). Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,289,818	\$ -
Changes in assumptions	-	(1,853,205)
Differences between actual and expected experiences	-	(1,149,081)
Adjustment due to differences in proportions	657,780	(316,881)
Net differences between projected and actual earnings on pension plan investments	13,127	(1,092,916)
Total	<u>\$ 3,960,725</u>	<u>\$ (4,412,083)</u>

The deferred outflows of resources of \$3,289,818 results from pension contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2017	\$ (2,417,501)
2018	(1,944,971)
2019	(655,954)
2020	1,277,250
	<u>\$ (3,741,176)</u>

#### NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB)

##### Plan Description

The County administers a postemployment healthcare plan, a single-employer defined benefit post employment healthcare plan. The County established a 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

## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

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 are eligible to receive County contributions into an Internal Revenue Code Section 401(a) Plan established by the County. Currently, 165 retirees and 39 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 annual required contribution 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 2015-16, the County contributed \$2,669,631, or 172% 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 Plan:

Annual Required Contribution	\$ 1,501,197
Interest on prior year Net OPEB obligation	(206,997)
Adjustment to ARC	259,066
Annual OPEB cost	<u>1,553,266</u>
Contributions made	<u>(2,669,631)</u>
Change in OPEB benefit	(1,116,365)
Net OPEB asset - beginning of year	<u>(3,311,944)</u>
Net OPEB asset - end of year	<u><u>\$ (4,428,309)</u></u>

## COUNTY OF MONO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

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 Asset 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>
6/30/14	\$ 1,986,824	130%	\$ 2,265,074
6/30/15	1,501,197	172%	3,311,944
6/30/16	1,553,266	172%	4,428,309

### Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2016, the plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 33,863,468
Actuarial value of plan assets	<u>14,369,915</u>
Unfunded actuarial accrued liability (UAAL)	19,493,553
Funded ratio (actuarial value of plan assets/AAL)	42.43%
Covered payroll (active Plan members)	n/a
UAAL as a percentage of covered payroll	n/a

### Actuarial Methods and Assumptions

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

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

In the January 1, 2016 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

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For the Year Ended June 30, 2016

inflation of 8% graded down to 6% 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, 2016, was 22 years.

**NOTE 9: NET POSITION/FUND BALANCES**

Fund balances at June 30, 2016 were classified as follows:

	General Fund	Road Fund	Realignment Fund	Mental Health Services Act	Round Fire	Other Governmental Funds	Total
<b>Nonspendable:</b>							
Advances to other funds	\$ 855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 855,000
Prepays and inventory	58,349	362,993	-	-	-	20,449	441,791
Total Nonspendable	<u>913,349</u>	<u>362,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,449</u>	<u>1,296,791</u>
<b>Restricted for:</b>							
Road projects	-	1,173,598	-	-	-	-	1,173,598
Health and social services	-	-	-	4,896,414	-	2,247,822	7,144,236
County service areas	-	-	-	-	-	2,243,991	2,243,991
Community development	-	-	-	-	-	762,013	762,013
Grant programs	-	-	4,858,907	-	-	850,277	5,709,184
Total Restricted	<u>-</u>	<u>1,173,598</u>	<u>4,858,907</u>	<u>4,896,414</u>	<u>-</u>	<u>6,104,103</u>	<u>17,033,022</u>
<b>Committed:</b>							
Disaster assistance	-	-	-	-	540,656	-	540,656
<b>Assigned:</b>							
Eliminate projected FY 16/17 budgetary deficit	4,567,500	-	-	-	-	-	4,567,500
Capital projects	-	-	-	-	-	359,706	359,706
Tourism	117,377	-	-	-	-	-	117,377
Conway Ranch	23,113	-	-	-	-	-	23,113
Total Assigned	<u>4,707,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,706</u>	<u>5,067,696</u>
<b>Unassigned</b>	<u>4,015,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,003)</u>	<u>3,919,848</u>
<b>Total Fund Balance</b>	<u>\$ 9,637,190</u>	<u>\$ 1,536,591</u>	<u>\$ 4,858,907</u>	<u>\$ 4,896,414</u>	<u>\$ 540,656</u>	<u>\$ 6,388,255</u>	<u>\$ 27,858,013</u>

During this year's budget process, the County Board of Supervisors re-established a general reserve of \$1,663,091 in the General Fund. This general reserve is subject to the provisions of Government Code sections 29085, 29086 and 29127, whereby appropriation from the general reserve may be used only in cases of certain emergency situations. Because this stabilization arrangement does not meet the criteria described in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to be reported within the restricted or committed fund balance categories, it has been classified as unassigned in these statements.

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

Deficit Fund Equity

The following funds had deficit fund balances/net position at June 30, 2016, as follows:

<u>Fund</u>	<u>Deficit</u>	<u>Management's Plan(s)</u>
Special Revenue Funds:		
Bioterrorism	\$ 29,103	The deficit results from delayed recognition of revenues collected after the measurement period of 60 days. The deficit will be eliminated in the following year when revenues are collected and recognized.
Debt Service Fund	66,822	The Debt Service fund makes payment on Pension Obligation Bonds issued to eliminate the Safety Plan's sidefund with CalPERS. Payments are funded by a contribution rate applied to the salaries in the departments whose employees are active participants in the Plan. Contribution rates were underestimated resulting in this deficit. The deficit will be eliminated by adjusting next year's contribution rate.
Enterprise Funds:		
Solid Waste	5,073,844	The deficit in the Solid Waste Fund results from accelerated closure and postclosure costs that exceed current user fees. The deficit will be eliminated through the collection of future user fees.

Reclassifications of Fund Balance / Net Assets

Certain amounts in the prior year statements have been reclassified for comparison purposes to conform to the current year presentation. This resulted in neither an increase nor a decrease to amounts reported as fund balance or net assets for the County as a whole.

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

The impact of these reclassifications on the beginning fund balance of governmental funds is as follows:

	Prior year balance as reported at June 30, 2015	Reclassification	Prior year balances as reclassified at July 1, 2015
Fund balance of Governmental Funds			
General	\$ 11,737,562	\$ (5,881,908)	\$ 5,855,654
Road	(684,362)	119	(684,243)
Realignment	3,027,867	-	3,027,867
Mental Health Services Act	-	4,260,880	4,260,880
Round fire	-	359,321	359,321
Other governmental	4,074,284	1,261,588	5,335,872
	<u>\$ 18,155,351</u>	<u>\$ -</u>	<u>\$ 18,155,351</u>

Restatements of Fund Balance / Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance / net position. Restatements as of the beginning of the fiscal year were made to correct the reporting of prior year revenues and expenses / expenditures.

In the current year, the County reported a prior period adjustment to include the net pension liability and related deferred inflows and outflows of resources of the Safety Fire First Tier Retirement Plan which was excluded in the prior year. Other adjustments were made to correct the reporting of prior year revenues, expenditures and depreciation.

The impact of the restatements on the fund balances / net position as previously reported after reclassification is presented below:

	Government-Wide Statements	Governmental Funds		Internal Service Funds
	Governmental Activities	General	Road	
Fund balance / net position, June 30, 2015, after reclassification	<u>\$ 22,003,319</u>	<u>\$5,855,654</u>	<u>\$ (684,243)</u>	<u>\$3,748,218</u>
Corrections:				
Prior year expenditures	-	(51,896)	51,896	-
Prior year revenues	21,762	-	21,762	-
Correct depreciation	-	-	-	(16,371)
Net pension liability understated	(2,813,039)	-	-	-
Total corrections	<u>(2,791,277)</u>	<u>(51,896)</u>	<u>73,658</u>	<u>(16,371)</u>
Fund balance / net position, July 1, 2015, after reclassification and as restated	<u>\$ 19,212,042</u>	<u>\$5,803,758</u>	<u>\$ (610,585)</u>	<u>\$3,731,847</u>

**COUNTY OF MONO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**NOTE 10: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The County has established an internal service fund (ISF) to account for and finance risks for general liability and workers' compensation. The County retains the risk of loss 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, a joint powers agency, established to provide coverage for workers' compensation and general liability exposures and to pay for the administration of the program. The agreement for the formation of Trindel provides that the system will be self-sustaining through member premiums and will reinsure through a commercial company for claims in excess of self-insured retention. Trindel retains a self-insured retention of \$125,000 for workers' compensation and \$100,000 for general liability. Excess insurance coverage is provided for risk of loss above the self-insured retention. Trindel Insurance Fund is classified as a claims-servicing or account pool, wherein the County retains the risk of loss and is considered self-insured with regard to liability coverage for general and property liability and workers' compensation.

The County holds a deposit with Trindel Insurance from which claims are paid. At June 30, 2016, the balance of the deposit was \$2,894,060. Each member of Trindel pays an annual premium to the insurance system that is evaluated each year based on the number of personnel, estimated payroll and an experience factor.

The County is a member of the California State Association of Counties Excess Insurance Authority (CSACEIA), a joint powers authority. CSACEIA, along with other commercial carriers, increases the coverage for general liability to \$15 million. In addition, CSACEIA, along with other commercial carriers, covers replacement cost on property up 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.

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

All funds of the County participate in the program and make payments to the Self-Insurance internal service fund based on historical cost and actuarial estimates of the amounts needed to pay prior and current year claims and to allow accrual of estimated incurred but not reported claims. The total historical and actuarially determined claims liability at June 30, 2016 is \$1,658,334.

Changes in the County's claims liability amount for the fiscal years ending June 30, 2016 and 2015 were as follows:

<u>Fiscal Year Ended</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
2015	\$ 1,444,407	\$ 422,655	\$ (483,965)	1,383,097
2016	1,383,097	1,290,072	(1,014,835)	1,658,334



## COUNTY OF MONO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

### NOTE 11: 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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**COUNTY OF MONO**

Required Supplementary Information  
For the Year Ended June 30, 2016

**Schedule of Changes in net Pension Liability and Related Ratios**

Miscellaneous Plan – Agent Multiple-Employer Defined Benefit Pension Plan

Last 10 Fiscal Years\*

	Miscellaneous Plans	
	Reporting Fiscal Year (Measurement Date)	
	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014)
<b>Total Pension Liability</b>		
Service cost	\$ 2,249,307	\$ 2,502,844
Interest on total pension liability	6,751,199	6,656,474
Changes of assumptions	(1,548,943)	-
Differences between expected and actual experience	(1,521,848)	-
Proportional differences between County and Court shares	(481,953)	
Benefit payments, including refunds of employee contributions	(4,719,903)	(4,502,141)
<b>Net change in total pension liability</b>	<u>727,859</u>	<u>4,657,177</u>
<b>Total pension liability, beginning</b>	94,409,811	89,752,634
<b>Total pension liability, ending</b>	<u>\$ 95,137,670</u>	<u>\$ 94,409,811</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 2,408,009	\$ 2,568,003
Contributions - employee	904,733	1,305,551
Net investment income	1,518,061	10,459,289
Benefit payments, including refunds of employee contributions	(4,719,903)	(4,502,141)
Administrative expense	(77,107)	-
<b>Net change in plan fiduciary net position</b>	<u>33,793</u>	<u>9,830,702</u>
<b>Plan fiduciary net position, beginning</b>	69,857,801	60,027,099
<b>Plan fiduciary net position, ending</b>	<u>\$ 69,891,594</u>	<u>\$ 69,857,801</u>
Net pension liability, ending	<u>\$ 25,246,076</u>	<u>\$ 24,552,010</u>
Plan fiduciary net percentage as a percentage of the total pension liability	73.46%	73.99%
Covered - employee payroll	\$ 12,381,959	\$ 12,796,381
Net pension liability as a percentage of covered-employee payroll	203.89%	191.87%

\*Fiscal year 2015 (measurement date June 30, 2014) was the first year of implementation.  
Additional years will be presented as they become available.

**COUNTY OF MONO**

Required Supplementary Information  
For the Year Ended June 30, 2016

**Schedule of Pension Plan Contributions**

Miscellaneous Plan – Agent Multiple-Employer Defined Benefit Pension Plan

	Miscellaneous Plans	
	Reporting Fiscal Year (Measurement Date)	
	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014)
<i>Last 10 Fiscal Years*</i>		
Actuarially determined contribution	\$ 2,408,009	\$ 2,568,003
Contributions in relation to the actuarially determined contributions	2,408,009	2,568,003
Contributions deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 12,381,959	\$ 12,796,381
Contributions as a percentage of covered-employee payroll	19.45%	20.07%

\*Fiscal year 2015 (measurement date June 30, 2014) was the first year of implementation. Additional years will be presented as they become available.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-2015 were from the June 30, 2012 valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial value of assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50% Net of pension plan investment and administrative expense; includes inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**COUNTY OF MONO**

Required Supplementary Information  
For the Year Ended June 30, 2016

**Schedule of Proportionate Share of the Net Pension Liability / (Asset) and Related Ratios as of the Measurement Date**

Safety Plans – Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

	Safety Plans	
	Reporting Fiscal Year (Measurement Date)	
	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014**)
Last 10 years*		
Proportion of the net pension liability	0.32974%	0.18612%
Proportionate share of the net pension liability	\$ 13,586,740	\$ 11,581,122
Covered - employee payroll	\$ 5,575,424	\$ 5,969,340
Proportionate share of the net pension liability as percentage of covered-employee payroll	243.69%	194.01%
Plan's fiduciary net position	49,276,094	\$ 50,204,330
Plan fiduciary net position as a percentage of the total pension liability	78.39%	81.26%

\*Fiscal year 2015 (measurement date June 30, 2014) was the first year of implementation. Additional years will be presented as they become available.

**Schedule of Pension Plan Contributions**

Safety Plans – Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

	Safety Plans	
	Reporting Fiscal Year (Measurement Date)	
	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014**)
Last 10 fiscal years*		
Actuarially determined contribution	\$ 1,451,026	\$ 1,476,254
Contributions related to the actuarially determined contribution	1,451,026	1,476,254
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	\$ 5,575,424	\$ 5,969,340
Contributions as a percentage of covered-employee payroll	26.03%	24.73%

\*Fiscal year 2015 (measurement date June 30, 2014) was the first year of implementation. Additional years will be presented as they become available.

\*\*Restated.

**COUNTY OF MONO**

Required Supplementary Information  
For the Year Ended June 30, 2016

**Other Post-Employment Benefits (OPEB)**

Schedule of Funding Progress

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>
1/1/2010	\$ 27,643	\$ 3,567	\$ 24,076	12.9%	n/a	n/a
1/1/2012	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
1/1/2016	33,863	14,370	19,493	42.4%	n/a	n/a



# COUNTY OF MONO

## Budgetary Comparison Schedule

### General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 20,342,000	\$ 20,185,657	\$ 23,240,446	\$ 3,054,789
Licenses and permits	345,694	325,694	368,745	43,051
Fines, forfeitures and penalties	527,950	528,625	750,906	222,281
Use of money and property	36,500	38,500	81,549	43,049
Intergovernmental	5,232,285	5,362,171	4,754,759	(607,412)
Charges for services	5,117,068	5,236,978	5,052,756	(184,222)
Other revenues	256,695	342,003	129,503	(212,500)
Transfers in	2,057,583	2,031,649	1,363,410	(668,239)
Total Revenues	<u>33,915,775</u>	<u>34,051,277</u>	<u>35,742,074</u>	<u>1,690,797</u>
<b>Expenditures</b>				
General government				
Board of Supervisors	501,967	501,967	485,506	16,461
Administrative Officer	563,246	623,903	566,819	57,084
Department of Finance	2,261,573	2,328,541	1,875,613	452,928
General Fund Operating Transfers	1,700,867	1,751,447	1,675,173	76,274
Assessor	1,333,703	1,333,703	958,047	375,656
County Counsel	1,024,453	1,183,845	1,036,161	147,684
Election Division	255,345	252,830	199,137	53,693
Information Technology	1,552,973	1,572,973	1,575,686	(2,713)
Public Works	861,409	868,060	742,805	125,255
County Facilities	2,468,122	2,468,122	2,298,011	170,111
Economic Development	439,162	439,162	409,937	29,225
Total general government	<u>12,962,820</u>	<u>13,324,553</u>	<u>11,822,895</u>	<u>1,501,658</u>
Public protection				
County MOE	709,132	709,132	691,336	17,796
Public Defender	658,000	658,000	618,002	39,998
Grand Jury	8,300	8,300	1,347	6,953
District Attorney - Prosecution	1,825,986	1,819,936	1,637,076	182,860
DA - Justice Administration Grant	299,820	299,820	118,825	180,995
Victim/Witness	72,189	88,878	114,046	(25,168)
Sheriff	5,496,573	5,547,610	5,011,988	535,622
Boating Law Enforcement	135,543	151,593	122,843	28,750
Search and Rescue	23,125	23,125	20,827	2,298
Court Security	441,434	441,349	376,070	65,279
Jail	2,807,708	2,805,110	2,562,285	242,825
Emergency Services	481,387	483,986	478,483	5,503
Adult Probation Services	1,787,600	1,840,517	1,466,605	373,912
Juvenile Probation Services	503,915	445,915	393,704	52,211
Agricultural Commissioner	211,431	217,481	217,481	-
County Clerk / Recorder	757,448	770,879	525,005	245,874
Animal Control	478,388	478,388	462,483	15,905
Planning & Transportation	966,065	966,065	911,652	54,413
Housing Development	719,188	719,188	21,298	697,890
Code Enforcement	109,762	110,172	107,173	2,999
Planning Commission	15,007	15,007	12,152	2,855

Continued

# COUNTY OF MONO

Budgetary Comparison Schedule (continued)

General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures (continued)</b>				
Public protection (continued)				
LAFCO	11,533	11,533	9,341	2,192
Building Inspector	344,357	343,947	326,138	17,809
Total public protection	<u>18,863,891</u>	<u>18,955,931</u>	<u>16,206,160</u>	<u>2,749,771</u>
Health and sanitation				
Bridgeport Clinic	124,000	124,000	93,764	30,236
Paramedic Program	3,780,669	3,814,778	3,799,723	15,055
Total health and sanitation	<u>3,904,669</u>	<u>3,938,778</u>	<u>3,893,487</u>	<u>45,291</u>
Public assistance				
Veterans' Services Officer	47,000	47,000	46,849	151
Farm Advisor	40,000	40,000	39,784	216
Total public assistance	<u>87,000</u>	<u>87,000</u>	<u>86,633</u>	<u>367</u>
Contingency	365,000	12,620	-	12,620
Total expenditures	<u>36,183,380</u>	<u>36,318,882</u>	<u>32,009,175</u>	<u>4,309,707</u>
Net Change in Fund Balances	(2,267,605)	(2,267,605)	3,732,899	6,000,504
Budgetary Fund Balances - Beginning of Year, restated	<u>4,111,008</u>	<u>4,111,008</u>	<u>4,111,008</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 1,843,403</u>	<u>\$ 1,843,403</u>	<u>\$ 7,843,907</u>	<u>\$ 6,000,504</u>

## Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

### Sources/inflows of resources

Actual amounts available for appropriation from the budgetary comparison schedule	\$ 35,742,074
Differences - budget to GAAP:	
Revenues from sub-funds combined with the General Fund for financial reporting purposes are not budgeted as available for appropriation for budgetary purposes	331,707
A87 cost reimbursement is a budgetary resource but is not current-year revenue for financial reporting purposes	(1,990,065)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,363,410)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 32,720,306</u>

### Uses/outflows of resources:

Actual charges to appropriations from the budgetary comparison schedule above	\$ 32,009,175
Differences - budget to GAAP:	
Expenditures from sub-funds combined with the General Fund for financial reporting purposes are not budgeted as charges to appropriations for budgetary purposes	590,682
A87 cost reimbursement reported as a reduction of expenditures for financial reporting purposes but is not budgeted as a charge to appropriations for budgetary purposes	(1,990,065)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(2,487,407)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental fund	<u>\$ 28,122,385</u>

# COUNTY OF MONO

Budgetary Comparison Schedule

Road Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$ 6,000	\$ 6,000	\$ 13,200	\$ 7,200
Fines, forfeitures and penalties	40,000	40,000	52,960	12,960
Use of money and property	1,000	1,000	(1,671)	(2,671)
Intergovernmental	6,054,665	5,982,174	6,331,023	348,849
Charges for services	500,000	500,000	450,138	(49,862)
Other revenues	5,000	5,000	7,746	2,746
Transfers in	600,000	615,000	615,000	-
Total Revenues	<u>7,206,665</u>	<u>7,149,174</u>	<u>7,468,396</u>	<u>319,222</u>
<b>Expenditures</b>				
Public ways and facilities	7,608,741	7,551,250	5,321,220	2,230,030
Total Expenditures	<u>7,608,741</u>	<u>7,551,250</u>	<u>5,321,220</u>	<u>2,230,030</u>
Net Change in Fund Balances	(402,076)	(402,076)	2,147,176	2,549,252
Fund Balances - Beginning of Year, restated	<u>(610,585)</u>	<u>(610,585)</u>	<u>(610,585)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (1,012,661)</u>	<u>\$ (1,012,661)</u>	<u>\$ 1,536,591</u>	<u>\$ 2,549,252</u>
<b>Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures</b>				
Sources/inflows of resources				
Actual amounts available for appropriation from the budgetary comparison schedule				\$ 7,468,396
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes				<u>(615,000)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds				<u>\$ 6,853,396</u>

## COUNTY OF MONO

Budgetary Comparison Schedule

Mental Health Services Act

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 20,000	\$ 20,000	\$ 36,794	\$ 16,794
Intergovernmental	1,389,705	1,389,705	1,603,078	213,373
Other revenues	-	-	5,706	5,706
Total Revenues	<u>1,409,705</u>	<u>1,409,705</u>	<u>1,645,578</u>	<u>235,873</u>
<b>Expenditures</b>				
Health and sanitation	<u>1,409,705</u>	<u>1,409,705</u>	<u>1,010,044</u>	<u>399,661</u>
Total Expenditures	<u>1,409,705</u>	<u>1,409,705</u>	<u>1,010,044</u>	<u>399,661</u>
Net Change in Fund Balances	-	-	635,534	635,534
Fund Balances - Beginning of Year	<u>4,260,880</u>	<u>4,260,880</u>	<u>4,260,880</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 4,260,880</u>	<u>\$ 4,260,880</u>	<u>\$ 4,896,414</u>	<u>\$ 635,534</u>

## COUNTY OF MONO

Budgetary Comparison Schedule

Round Fire

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 191	\$ 191	\$ 3,582	\$ 3,391
Intergovernmental	397,451	397,451	1,788,540	1,391,089
Other revenues	663,841	663,841	170,312	(493,529)
Total Revenues	<u>1,061,483</u>	<u>1,061,483</u>	<u>1,962,434</u>	<u>900,951</u>
<b>Expenditures</b>				
Public ways and facilities	925,458	925,458	1,781,099	(855,641)
Transfers out	497,986	497,986	-	497,986
Total Expenditures	<u>1,423,444</u>	<u>1,423,444</u>	<u>1,781,099</u>	<u>(357,655)</u>
Net Change in Fund Balances	(361,961)	(361,961)	181,335	543,296
Fund Balances - Beginning of Year	<u>359,321</u>	<u>359,321</u>	<u>359,321</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (2,640)</u>	<u>\$ (2,640)</u>	<u>\$ 540,656</u>	<u>\$ 543,296</u>

## COUNTY OF MONO

Required Supplementary Information  
For the Year Ended June 30, 2016

### BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year. A tentative budget approved no later than June 30, of each year establishes the legal authority for county spending in the following fiscal year until a final budget is adopted on or before October 2<sup>nd</sup>. Prior to adoption of the final budget, a public hearing is held to receive comments prior to adoption.

From the effective date of the budget, which is adopted and controlled at the department 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 a four-fifths majority vote during the fiscal year. Department heads may, upon approval of the Finance Director, 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 required supplementary information section of this financial report. Appropriations lapse at year end.

Budgets are adopted for the General Fund, most special revenue funds, the capital projects fund and the debt service fund. 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, except that transfers are regarded as inflows of resources for budgetary purposes and not revenues for GAAP financial statement presentation purposes and transfers out are considered outflows of resources for budgetary purposes but not expenditures for GAAP financial statement presentation purposes.

The County did not adopt a budget for the Realignment fund.

Expenditures in the Round Fire fund for the year ended June 30, 2016 exceeded budgeted appropriations by \$357,655.

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

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### **NONMAJOR GOVERNMENTAL FUNDS**

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

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

Debt Service Funds are used to account for and report the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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# COUNTY OF MONO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue			
	Public Health	Behavioral Health	Social Services	CDBG
<b>ASSETS</b>				
Cash and investments	\$ 326,477	\$ 512,955	\$ 1,404,032	\$ 187,000
Accounts receivable	2,938	-	461	-
Due from other governments	319,698	297,710	14,220	-
Due from other funds	107,253	-	-	-
Prepaid expenses	1,961	-	18,410	-
<b>Total Assets</b>	<b>\$ 758,327</b>	<b>\$ 810,665</b>	<b>\$ 1,437,123</b>	<b>\$ 187,000</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 28,588	\$ 34,306	\$ 85,634	\$ -
Accrued salaries and benefits	129,281	45,748	171,993	-
Due to other funds	-	-	9,268	-
Unearned revenues	132,219	-	-	-
<b>Total Liabilities</b>	<b>290,088</b>	<b>80,054</b>	<b>266,895</b>	<b>-</b>
<b>Deferred inflows of Resources</b>				
Unavailable revenues	254,893	-	-	-
<b>Fund Balance</b>				
Nonspendable	1,961	-	18,410	-
Restricted	211,385	730,611	1,151,818	187,000
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>213,346</b>	<b>730,611</b>	<b>1,170,228</b>	<b>187,000</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 758,327</b>	<b>\$ 810,665</b>	<b>\$ 1,437,123</b>	<b>\$ 187,000</b>

continued

# COUNTY OF MONO

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2016

	Special Revenue				
	Geothermal	Bio Terrorism	Fish and Game	Tobacco	Emergency Medical Services
<b>ASSETS</b>					
Cash and investments	\$ 293,437	\$ -	\$ 9,934	\$ 20,347	\$ 143,802
Accounts receivable	44,674	-	-	-	-
Due from other governments	2,276	237,310	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenses	-	78	-	-	-
<b>Total Assets</b>	<b>\$ 340,387</b>	<b>\$ 237,388</b>	<b>\$ 9,934</b>	<b>\$ 20,347</b>	<b>\$ 143,802</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 97,210	\$ 33,504	\$ 1,927	\$ 759	\$ -
Accrued salaries and benefits	-	19,683	-	9,382	-
Due to other funds	-	107,253	-	-	-
Unearned revenues	-	-	-	-	-
<b>Total Liabilities</b>	<b>97,210</b>	<b>160,440</b>	<b>1,927</b>	<b>10,141</b>	<b>-</b>
<b>Deferred inflows of Resources</b>					
Unavailable revenues	-	106,051	-	-	-
<b>Fund Balance</b>					
Nonspendable	-	78	-	-	-
Restricted	243,177	-	8,007	10,206	143,802
Assigned	-	-	-	-	-
Unassigned	-	(29,181)	-	-	-
<b>Total Fund Balances</b>	<b>243,177</b>	<b>(29,103)</b>	<b>8,007</b>	<b>10,206</b>	<b>143,802</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 340,387</b>	<b>\$ 237,388</b>	<b>\$ 9,934</b>	<b>\$ 20,347</b>	<b>\$ 143,802</b>

continued

## COUNTY OF MONO

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2016

	Mitigation Fee	County Service Areas	Development Impact
<b>ASSETS</b>			
Cash and investments	\$ 120,291	\$ 2,248,527	\$ 211,545
Accounts receivable	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 120,291</u>	<u>\$ 2,248,527</u>	<u>\$ 211,545</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ 4,013	\$ -
Accrued salaries and benefits	-	523	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>-</u>	<u>4,536</u>	<u>-</u>
Deferred inflows of Resources			
Unavailable revenues	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance			
Nonspendable	-	-	-
Restricted	120,291	2,243,991	211,545
Assigned	-	-	-
Unassigned	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>120,291</u>	<u>2,243,991</u>	<u>211,545</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 120,291</u>	<u>\$ 2,248,527</u>	<u>\$ 211,545</u>

continued

# COUNTY OF MONO

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2016

	Special Revenue		Capital Projects	Debt Service	Total
	Various Restricted Grant Funds	Total Special Revenue	Miscellaneous Capital Improvements	Debt Service Fund	
<b>ASSETS</b>					
Cash and investments	\$ 863,786	\$ 6,342,133	\$ 396,106	\$ 131,192	\$ 6,869,431
Accounts receivable	-	48,073	-	-	48,073
Due from other governments	32,625	903,839	123,953	-	1,027,792
Due from other funds	-	107,253	-	-	107,253
Prepaid expenses	-	20,449	-	-	20,449
<b>Total Assets</b>	<b>\$ 896,411</b>	<b>\$ 7,421,747</b>	<b>\$ 520,059</b>	<b>\$ 131,192</b>	<b>\$ 8,072,998</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 43,312	\$ 329,253	\$ 37,535	\$ 198,014	\$ 564,802
Accrued salaries and benefits	-	376,610	-	-	376,610
Due to other funds	-	116,521	-	-	116,521
Unearned revenues	-	132,219	-	-	132,219
<b>Total Liabilities</b>	<b>43,312</b>	<b>954,603</b>	<b>37,535</b>	<b>198,014</b>	<b>1,190,152</b>
Deferred inflows of Resources					
Unavailable revenues	10,829	371,773	122,818	-	494,591
Fund Balance					
Nonspendable	-	20,449	-	-	20,449
Restricted	842,270	6,104,103	-	-	6,104,103
Assigned	-	-	359,706	-	359,706
Unassigned	-	(29,181)	-	(66,822)	(96,003)
<b>Total Fund Balances</b>	<b>842,270</b>	<b>6,095,371</b>	<b>359,706</b>	<b>(66,822)</b>	<b>6,388,255</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 896,411</b>	<b>\$ 7,421,747</b>	<b>\$ 520,059</b>	<b>\$ 131,192</b>	<b>\$ 8,072,998</b>

# COUNTY OF MONO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue			
	Public Health	Behavioral Health	Social Services	CDBG
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	278,875	-	-	-
Fines, forfeitures and penalties	1,341	6,586	-	-
Use of money and property	2,159	4,820	7,966	-
Intergovernmental	2,113,276	1,056,162	3,688,598	187,000
Charges for services	258,044	164,274	127,208	-
Miscellaneous	16,856	1,504	4,308	-
<b>Total Revenues</b>	<u>2,670,551</u>	<u>1,233,346</u>	<u>3,828,080</u>	<u>187,000</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public protection	-	-	-	-
Health and sanitation	2,778,512	1,267,229	-	-
Public assistance	-	-	4,427,327	-
Debt service				
Principal	-	-	-	-
Interest and issuance cost	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>2,778,512</u>	<u>1,267,229</u>	<u>4,427,327</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,961)</u>	<u>(33,883)</u>	<u>(599,247)</u>	<u>187,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	16,924	37,372	1,270,272	-
Transfers out	(58,426)	(4,905)	(26,989)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(41,502)</u>	<u>32,467</u>	<u>1,243,283</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(149,463)</u>	<u>(1,416)</u>	<u>644,036</u>	<u>187,000</u>
Fund Balances, Beginning of Year	<u>362,809</u>	<u>732,027</u>	<u>526,192</u>	<u>-</u>
<b>FUND BALANCES, END OF THE YEAR</b>	<u>\$ 213,346</u>	<u>\$ 730,611</u>	<u>\$ 1,170,228</u>	<u>\$ 187,000</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, 2016

	Special Revenue				
	Geothermal	Bio Terrorism	Fish and Game	Tobacco	Emergency Medical Services
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	7,049	-	77,294
Use of money and property	1,029	(566)	109	6	668
Intergovernmental	-	447,315	-	150,560	-
Charges for services	-	-	-	-	-
Miscellaneous	671,545	-	(230)	-	-
<b>Total Revenues</b>	<b>672,574</b>	<b>446,749</b>	<b>6,928</b>	<b>150,566</b>	<b>77,962</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public protection	558,378	376,767	10,745	-	-
Health and sanitation	-	-	-	172,776	-
Public assistance	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and issuance cost	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>558,378</b>	<b>376,767</b>	<b>10,745</b>	<b>172,776</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,196	69,982	(3,817)	(22,210)	77,962
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	58,426	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,426</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>114,196</b>	<b>69,982</b>	<b>(3,817)</b>	<b>36,216</b>	<b>77,962</b>
Fund Balances, Beginning of Year	128,981	(99,085)	11,824	(26,010)	65,840
<b>FUND BALANCES, END OF THE YEAR</b>	<b>\$ 243,177</b>	<b>\$ (29,103)</b>	<b>\$ 8,007</b>	<b>\$ 10,206</b>	<b>\$ 143,802</b>

continued



## COUNTY OF MONO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Mitigation Fee	County Service Area	Development Impact
<b>REVENUES</b>			
Taxes	\$ -	\$ 199,311	\$ -
Licenses and permits	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	999	20,818	1,757
Intergovernmental	-	-	-
Charges for services	-	130,807	-
Miscellaneous	-	11,255	-
Total Revenues	999	362,191	1,757
<b>EXPENDITURES</b>			
Current			
General government	-	347,699	-
Public protection	-	-	-
Health and sanitation	-	-	-
Public assistance	-	-	-
Debt service			
Principal	-	-	-
Interest and issuance cost	-	-	-
Capital outlay	-	-	-
Total Expenditures	-	347,699	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	999	14,492	1,757
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	999	14,492	1,757
Fund Balances, Beginning of Year	119,292	2,229,499	209,788
<b>FUND BALANCES, END OF THE YEAR</b>	<u>\$ 120,291</u>	<u>\$ 2,243,991</u>	<u>\$ 211,545</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, 2016

	Special Revenue		Capital Projects	Debt Services	Total
	Various	Total	Miscellaneous	Debt Service	
	Restricted	Special	Capital	Fund	
	Grand Funds	Revenue	Improvements		
<b>REVENUES</b>					
Taxes	\$ -	\$ 199,311	\$ -	\$ -	\$ 199,311
Licenses and permits	-	278,875	-	-	278,875
Fines, forfeitures and penalties	11,000	103,270	-	-	103,270
Use of money and property	5,703	45,468	-	-	45,468
Intergovernmental	1,017,188	8,660,099	503,138	-	9,163,237
Charges for services	6,271	686,604	-	-	686,604
Miscellaneous	68,570	773,808	300	-	774,108
Total Revenues	<u>1,108,732</u>	<u>10,747,435</u>	<u>503,438</u>	<u>-</u>	<u>11,250,873</u>
<b>EXPENDITURES</b>					
Current					
General government	-	347,699	-	-	347,699
Public protection	921,252	1,867,142	-	-	1,867,142
Health and sanitation	-	4,218,517	-	-	4,218,517
Public assistance	107,189	4,534,516	-	-	4,534,516
Debt service					
Principal	-	-	-	647,700	647,700
Interest and issuance cost	-	-	-	115,754	115,754
Capital outlay	-	-	378,428	-	378,428
Total Expenditures	<u>1,028,441</u>	<u>10,967,874</u>	<u>378,428</u>	<u>763,454</u>	<u>12,109,756</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>80,291</u>	<u>(220,439)</u>	<u>125,010</u>	<u>(763,454)</u>	<u>(858,883)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	13,284	1,396,278	176,692	876,860	2,449,830
Transfers out	(56,407)	(146,727)	(224,547)	(167,290)	(538,564)
Total Other Financing Sources (Uses)	<u>(43,123)</u>	<u>1,249,551</u>	<u>(47,855)</u>	<u>709,570</u>	<u>1,911,266</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>37,168</u>	<u>1,029,112</u>	<u>77,155</u>	<u>(53,884)</u>	<u>1,052,383</u>
Fund Balances, Beginning of Year	<u>805,102</u>	<u>5,066,259</u>	<u>282,551</u>	<u>(12,938)</u>	<u>5,335,872</u>
<b>FUND BALANCES, END OF THE YEAR</b>	<u>\$ 842,270</u>	<u>\$ 6,095,371</u>	<u>\$ 359,706</u>	<u>\$ (66,822)</u>	<u>\$ 6,388,255</u>

### **NONMAJOR ENTERPRISE FUNDS**

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

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**COUNTY OF MONO**

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2016

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Pooled cash and investments	\$ 61,805	\$ 20,012	\$ 81,817
Accounts receivable	455	-	455
	<u>62,260</u>	<u>20,012</u>	<u>82,272</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	1,555	-	1,555
	<u>1,555</u>	<u>-</u>	<u>1,555</u>
<b>NET POSITION</b>			
Restricted	-	30,222	30,222
Unrestricted	60,705	(10,210)	50,495
	<u>60,705</u>	<u>(10,210)</u>	<u>50,495</u>
Total Net Position	<u>\$ 60,705</u>	<u>\$ 20,012</u>	<u>\$ 80,717</u>

**COUNTY OF MONO**

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the Year Ended June 30, 2016

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 39,376	\$ 70	\$ 39,446
Total Operating Revenues	<u>39,376</u>	<u>70</u>	<u>39,446</u>
<b>OPERATING EXPENSES</b>			
Services and supplies	<u>22,590</u>	<u>15,703</u>	<u>38,293</u>
Total Operating Expenses	<u>22,590</u>	<u>15,703</u>	<u>38,293</u>
Operating Income (loss)	<u>16,786</u>	<u>(15,633)</u>	<u>1,153</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income (expenses)	<u>470</u>	<u>241</u>	<u>711</u>
Total Non-Operating Revenues	<u>470</u>	<u>241</u>	<u>711</u>
<b>CHANGE IN NET POSITION</b>	17,256	(15,392)	1,864
Net Position, Beginning of Year	<u>43,449</u>	<u>35,404</u>	<u>78,853</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 60,705</u>	<u>\$ 20,012</u>	<u>\$ 80,717</u>

## COUNTY OF MONO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2016

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from customers	\$ 38,921	\$ 70	\$ 38,991
Cash paid to suppliers for goods and services	<u>(23,400)</u>	<u>(16,354)</u>	<u>(39,754)</u>
Net Cash Provided (Used) by Operating Activities	<u>15,521</u>	<u>(16,284)</u>	<u>(763)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received (paid)	470	241	711
Net Cash Used in Capital and Related Financing Activities	<u>470</u>	<u>241</u>	<u>711</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	15,991	(16,043)	(52)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>45,814</u>	<u>36,055</u>	<u>81,869</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 61,805</u></u>	<u><u>\$ 20,012</u></u>	<u><u>\$ 81,817</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 16,786	\$ (15,633)	\$ 1,153
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
Receivables	(455)	-	(455)
Payables	<u>(810)</u>	<u>(651)</u>	<u>(1,461)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 15,521</u></u>	<u><u>\$ (16,284)</u></u>	<u><u>\$ (763)</u></u>

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### **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

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# COUNTY OF MONO

Combining Statement of Net Position

Internal Service Funds

June 30, 2016

	Copier Pool	Motor Pool	Insurance Pool	Tech Refresh Pool	Total
<b>ASSETS</b>					
Current Assets					
Pooled cash and investments	\$ 40,237	\$ 802,768	\$ 59,396	\$ 63,177	\$ 965,578
Cash with fiscal agent	-	-	62,557	-	62,557
Deposits with others	-	-	2,894,060	-	2,894,060
Total Current Assets	<u>40,237</u>	<u>802,768</u>	<u>3,016,013</u>	<u>63,177</u>	<u>3,922,195</u>
Noncurrent Assets					
Capital assets:					
Depreciable, net	<u>86,939</u>	<u>1,252,570</u>	<u>-</u>	<u>-</u>	<u>1,339,509</u>
Total Assets	<u>127,176</u>	<u>2,055,338</u>	<u>3,016,013</u>	<u>63,177</u>	<u>5,261,704</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts related to pensions	<u>-</u>	<u>31,632</u>	<u>-</u>	<u>-</u>	<u>31,632</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	5,399	4,170	1,247	14,268	25,084
Salaries and benefits payable	-	18,229	2,548	-	20,777
Claims Liability	-	-	1,658,334	-	1,658,334
Total Current Liabilities	<u>5,399</u>	<u>22,399</u>	<u>1,662,129</u>	<u>14,268</u>	<u>1,704,195</u>
Long-term Liabilities					
Net pension liability	<u>-</u>	<u>240,602</u>	<u>-</u>	<u>-</u>	<u>240,602</u>
Total Liabilities	<u>5,399</u>	<u>263,001</u>	<u>1,662,129</u>	<u>14,268</u>	<u>1,944,797</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred amounts related to pensions	<u>-</u>	<u>18,426</u>	<u>-</u>	<u>-</u>	<u>18,426</u>
<b>NET POSITION</b>					
Net investment in capital assets	86,939	1,252,570	-	-	1,339,509
Unrestricted	34,838	552,973	1,353,884	48,909	1,990,604
Total Net Position	<u>\$ 121,777</u>	<u>\$ 1,805,543</u>	<u>\$ 1,353,884</u>	<u>\$ 48,909</u>	<u>\$ 3,330,113</u>

# COUNTY OF MONO

Combining Statement of Revenues, Expenses and  
Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2016

	Copier Pool	Motor Pool	Insurance Pool	Tech Refresh Pool	Total
<b>OPERATING REVENUES</b>					
Charges for services	91,576	654,319	1,092,049	74,138	1,912,082
Total Operating Revenues	<u>91,576</u>	<u>654,319</u>	<u>1,092,049</u>	<u>74,138</u>	<u>1,912,082</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	-	329,787	49,687	-	379,474
Services and supplies	51,977	132,195	1,585,465	53,459	1,823,096
Depreciation	21,019	425,638	-	-	446,657
Total Operating Expenses	<u>72,996</u>	<u>887,620</u>	<u>1,635,152</u>	<u>53,459</u>	<u>2,649,227</u>
Operating Income (Loss)	<u>18,580</u>	<u>(233,301)</u>	<u>(543,103)</u>	<u>20,679</u>	<u>(737,145)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income (expense)	153	5,348	21,237	421	27,159
Sale of capital assets	-	31,552	-	-	31,552
Miscellaneous	-	4,297	47,856	-	52,153
Total Non-Operating Revenues	<u>153</u>	<u>41,197</u>	<u>69,093</u>	<u>421</u>	<u>110,864</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>18,733</u>	<u>(192,104)</u>	<u>(474,010)</u>	<u>21,100</u>	<u>(626,281)</u>
Transfers in	-	224,547	-	-	224,547
<b>CHANGE IN NET POSITION</b>	<u>18,733</u>	<u>32,443</u>	<u>(474,010)</u>	<u>21,100</u>	<u>(401,734)</u>
Net Position, Beginning of Year, restated	<u>103,044</u>	<u>1,773,100</u>	<u>1,827,894</u>	<u>27,809</u>	<u>3,731,847</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 121,777</u></u>	<u><u>\$ 1,805,543</u></u>	<u><u>\$ 1,353,884</u></u>	<u><u>\$ 48,909</u></u>	<u><u>\$ 3,330,113</u></u>

# COUNTY OF MONO

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2016

	Copier Pool	Motor Pool	Insurance Pool	Tech Refresh Pool	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash receipts from interfund services provided	\$ 91,576	\$ 654,319	\$ 830,821	\$ 74,138	\$ 1,650,854
Cash paid to employees for services	-	(210,220)	(50,901)	-	(261,121)
Cash paid to suppliers for goods and services	(53,581)	(362,513)	(927,509)	(39,191)	(1,382,794)
Net Cash Provided (Used) by Operating Activities	<u>37,995</u>	<u>81,586</u>	<u>(147,589)</u>	<u>34,947</u>	<u>6,939</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Other revenues	-	4,297	47,856	-	52,153
Net Cash Provided (Used) by Noncapital Financing	<u>-</u>	<u>4,297</u>	<u>47,856</u>	<u>-</u>	<u>52,153</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments related to the acquisition of capital assets	(38,325)	(596,925)	-	-	(635,250)
Transfers in	-	224,547	-	-	224,547
Sale of capital assets	-	31,552	-	-	31,552
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(38,325)</u>	<u>(340,826)</u>	<u>-</u>	<u>-</u>	<u>(379,151)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received (paid)	153	5,348	21,237	421	27,159
Net Cash Provided by Investing Activities	<u>153</u>	<u>5,348</u>	<u>21,237</u>	<u>421</u>	<u>27,159</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(177)	(249,595)	(78,496)	35,368	(292,900)
<b>Cash and Cash Equivalents, Beginning of Year</b>	40,414	1,052,363	200,449	27,809	1,321,035
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 40,237</u>	<u>\$ 802,768</u>	<u>\$ 121,953</u>	<u>\$ 63,177</u>	<u>\$ 1,028,135</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 18,580	\$ (233,301)	\$ (543,103)	\$ 20,679	\$ (737,145)
Adjustments to reconcile operating income (loss) to net cash					
Depreciation	21,019	425,638	-	-	446,657
Changes in assets and liabilities					
Deposits with others	-	-	120,244	-	120,244
Deferred outflows	-	(36,379)	-	-	(36,379)
Claims liability	-	-	275,237	-	275,237
Accrued salaries and benefits	-	2,531	(1,214)	-	1,317
Payables	(1,604)	(230,318)	1,247	14,268	(216,407)
Net Pension liability	-	139,903	-	-	139,903
Deferred inflows	-	13,512	-	-	13,512
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 37,995</u>	<u>\$ 81,586</u>	<u>\$ (147,589)</u>	<u>\$ 34,947</u>	<u>\$ 6,939</u>

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### **INVESTMENT TRUST FUND**

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

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# COUNTY OF MONO

Combining Statement of Fiduciary Net Position

Investment Trust Fund

June 30, 2016

	<u>Local Districts</u>	<u>School Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Pooled cash and investments	<u>\$ 15,984,664</u>	<u>\$ 22,921,160</u>	<u>\$ 38,905,824</u>
 Total Assets	 <u><u>\$ 15,984,664</u></u>	 <u><u>\$ 22,921,160</u></u>	 <u><u>\$ 38,905,824</u></u>
 <b>NET POSITION</b>			
Net position held in trust for investment pool participants	 <u><u>\$ 15,984,664</u></u>	 <u><u>\$ 22,921,160</u></u>	 <u><u>\$ 38,905,824</u></u>

**COUNTY OF MONO**

Combining Statement of Changes in Fiduciary Net Position

Investment Trust Fund

For the Year Ended June 30, 2016

	Local Districts	School Districts	Total
Additions			
Contributions	\$ 23,359,468	\$ 43,788,234	\$ 67,147,702
Investment income	145,092	206,184	351,276
Total Additions	23,504,560	43,994,418	67,498,978
Deductions:			
Distribution from pooled investment	20,957,411	43,904,942	64,862,353
Change in Net Position	2,547,149	89,476	2,636,625
Beginning net position held in trust for pool participants	13,437,515	22,831,684	36,269,199
Ending net position held for pool participants	\$ 15,984,664	\$ 22,921,160	\$ 38,905,824

**STATISTICAL SECTION (UNAUDITED)**

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**COUNTY OF MONO**

**Tax Levies and Collections  
General Fund Secured Roll  
1992-93 through 2015-16**

<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%
2014-15	16,152,775	15,713,842	97.28%	205,656	15,919,498	98.56%
2015-16	16,486,505	16,415,898	99.57%	199,666	16,615,564	100.78%

\*\* 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 2015-16  
AB-8 VALUES**

Fiscal Year	Real Property		Personal		Total	
	Inc. HOPTR	% Chg	Property	% Chg		% Chg
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%
2014-15	4,990,657,506	1.62%	392,756,377	2.52%	5,383,413,883	1.69%
2015-16	5,106,845,276	2.33%	389,673,020	-0.79%	5,496,518,296	2.10%

**COUNTY OF MONO**  
**Property Tax Allocation Collection**

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

**Distribution:**

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

**COUNTY OF MONO**  
**TAX RATES**  
**2015-16**

<u>TAX AREAS 051-000 THRU 051-013/ 051-019 THRU 051-034</u>	<u>PERCENTAGE</u>
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.065852
<b>TOTAL</b>	<b>1.065852</b>
<u>TAX AREAS: 051-014 THRU 051-018</u>	
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.065852
<b>TOTAL</b>	<b>1.065852</b>
<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	0.028107
Mammoth-Kern SFID	0.026076
Southern Mono Hospital Bond Redemption	0.029461
Southern Mono Hospital Bond Current	0.029013
<b>TOTAL</b>	<b>1.112657</b>
<u>TAX AREAS: 010-001, 010-005, 010-007, 010-009, 010-010</u>	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.026076
Southern Mono Hospital Bond Redemption	0.029461
Southern Mono Hospital Bond Current	0.029013
Mammoth Unified Bond '98, '00 & '01	0.028107
<b>TOTAL</b>	<b>1.112657</b>
<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	0.028107
Southern Mono Hospital Bond Redemption	0.029461
Southern Mono Hospital Bond Current	0.029013
<b>TOTAL</b>	<b>1.086581</b>
<u>TAX AREAS: 060-000</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.029990
Bishop HS Bond (Determined by Inyo County)	0.010094
Southern Mono Hospital Bond Redemption	0.029461
Southern Mono Hospital Bond Current	0.029013
<b>TOTAL</b>	<b>1.098557</b>
<u>TAX AREAS: 060-001 THRU 060-006</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.029990
Bishop HS Bond (Determined by Inyo County)	0.010094
<b>TOTAL</b>	<b>1.040084</b>

**COUNTY OF MONO**

**Distribution of Pooled Property Tax  
1992-93 through 2015-16**

<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%
2014-15	30.00%	4.30%	40.54%	25.16%	100.00%
2015-16	29.99%	4.30%	42.21%	23.50%	100.00%



**COUNTY OF MONO**  
**Tax Collections**  
**1992-93 through 2015-16**

Fiscal Year	General Fund		Secured and Unsecured				Totals
	Secured	Unsecured	Town of Mammoth	School Districts and Augmentation Fund	Special Districts		
1992-93	\$ 5,939,621	\$ 862,128	\$ 522,068	\$ 6,716,833	\$ 5,361,881	\$ 19,402,531	
1993-94	5,066,272	755,388	540,072	6,802,385	5,701,810	18,865,927	
1994-95	5,372,192	741,145	577,391	8,161,950	5,785,370	20,638,048	
1995-96	5,024,418	682,488	759,583	8,283,649	4,268,796	19,018,934	
1996-97	5,243,350	729,092	583,068	7,768,595	472,288	14,796,393	
1997-98	5,448,545	719,526	571,570	7,730,443	4,451,114	18,921,198	
1998-99	5,582,040	731,930	588,337	7,930,027	4,572,566	19,404,900	
1999-00	5,778,043	723,824	647,065	8,306,363	4,794,903	20,250,198	
2000-01	6,264,163	616,687	782,357	8,817,667	5,238,415	21,719,289	
2001-02	7,073,947	695,136	825,121	7,085,768	5,591,710	21,271,682	
2002-03	7,534,894	772,978	953,355	11,204,067	6,080,626	26,545,920	
2003-04	8,523,576	807,741	1,158,647	12,615,367	6,936,400	30,041,730	
2004-05*	9,449,034	706,107	1,348,916	13,642,275	7,916,718	33,063,050	
2005-06*	11,455,149	765,220	1,592,687	16,021,241	9,067,830	38,902,127	
2006-07*	12,910,660	894,463	2,295,078	18,389,553	11,787,382	46,277,136	
2007-08*	14,515,638	870,916	2,624,774	22,147,747	12,860,888	53,019,963	
2008-09*	14,933,794 **	919,168 **	2,653,891 **	23,571,923 **	15,301,520 **	57,380,296	
2009-10*	15,165,933 **	1,260,670 **	2,417,595 **	25,336,531 **	11,152,009 **	55,332,738	
2010-11*	15,209,742 **	2,409,465 **	2,409,465 **	22,262,705 **	12,855,279 **	55,146,657	
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	
2014-15*	14,935,887 **	1,146,281 **	2,341,781 **	21,402,568 **	14,014,837 **	53,841,353	
2015-16*	15,801,348	1,164,420	2,369,745	22,847,929	12,844,465	55,027,908	

\* 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 2015-16**

	<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>
<b>2004-05</b>	96,378	943,697	(92,964)	456,945	415,538	(217,497)	(890,482)
<b>2005-06</b>	101,279	1,074,952	(92,964)	501,959	517,229	(217,497)	(983,446)
<b>2006-07</b>	134,817	1,289,321	0	679,429	628,899	0	0
<b>2007-08</b>	148,749	1,494,755	0	518,443	744,745	0	0
<b>2008-09</b>	105,026	1,651,183	0	509,504	832,471	0	0
<b>2009-10</b>	120,633	1,673,140	0	349,063	874,007	0	0
<b>2010-11</b>	101,414	1,559,622	0	448,180	802,561	0	0
<b>2011-12</b>	117,111	1,520,974	0	431,197	783,012	0	0
<b>2012-13</b>	103,613	1,499,142	0	501,938	761,411	0	0
<b>2013-14</b>	163,165	1,492,432	0	458,344	756,080	0	0
<b>2014-15</b>	192,623	1,517,599	0	487,874	769,304	0	0
<b>2015-16</b>	75,242	1,549,479	0	107,542	784,930	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 "swapped" 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 "true-up" the following year. Funds are taken from ERAF to fill the revenue gaps. ERAF III is a swap from political 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.

The Triple Flip for Sales & Use Tax ended January 1, 2016 (FY 2015/16). As a result, the Bradley Burns sales tax rate was restored to 1% and ERAF will no longer be used to reimburse local agencies for the loss in sales tax that resulted from the Triple Flip. The final Triple Flip true-up payment was made by the State in July 2016.

## COUNTY OF MONO

### Miscellaneous Statistical Information June 30, 2016

<b>County Date of Formation:</b>	April 21, 1861	
<b>Form of Government:</b>	General Law County under California Constitution 1849	
<b>Area:</b>	3,030 Square Miles	
<b>County Road Mileage:</b>	684.42	
<b>Fire Protection:</b>	No county-wide fire district, each community has its own special fire protection district	
<b>Public Protection:</b>	Sworn Sheriff/Jail Personnel	39
	Non-Sworn Sheriff/Jail Personnel	4
	Number of Stations	3
	Number of Employees	<b>43</b>
	Percentage of Public Protection Personnel	14.38%
<b>Countywide Employees</b>	Full-Time <i>(Includes Public Protection Employees)</i>	279
	Part-Time	20
	Total	<b>299</b>
	<b><u>November 8, 2016 General Elections</u></b>	
<b>Elections:</b>	Number of Registered Voters	6,498
	Number of Votes Cast Last General Election	5,485
	Percentage of Registered Voters Voting	84.41%

**COUNTY OF MONO**

**Miscellaneous Statistical Information**

**June 30, 2016**

<b>Population:</b>	<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
	1990		***	10,350
	2000		***	10,293
<i>Department of Finance 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
	2015	6,285	8,410	14,695
	2016	5,697	8,024	13,721

\*\*\* No Data Kept for these years