

COUNTY OF MONO
STATE OF CALIFORNIA

Comprehensive Annual Financial Report

For the Year Ended June 30, 2018



Prepared by the Department of Finance

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INTRODUCTORY SECTION

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DEPARTMENT OF FINANCE AUDITOR-CONTROLLER COUNTY OF MONO

Stephanie M. Butters
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Auditor-Controller

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March 29, 2019

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, 2018, 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. Price Paige & Company, 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, 2018.

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 centrally located on the eastern side of the Sierra Nevada Mountains. The County has an area of 3,049 square miles and a total population of 13,822 (*as of January 1, 2018, California Department of Finance*). 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 38.5 percent of all employment is directly associated with this industry. Annually, more than 1.5 million visitors stay in Mono County on average for three days, generating \$369.6 million for the local economy and \$16 million in local taxes. Most 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. Mammoth Lakes, together with June Lake, is Mono County's most visited destination and is home to one of the largest ski resorts in North America.

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 for all eligible residents County-wide. 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). The Board provides overall direction to the County and its responsibilities include adopting the budget, approving contracts, setting policies and passing ordinances. 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 County Administrative Officer (CAO) appoints other department heads except for the position of County Counsel where the Board of Supervisors is the appointing authority.

The County employed 285 full-time equivalent employees in FY 2017-2018 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 balanced budget by October 2 of each fiscal 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. Unencumbered annual appropriations lapse at year-end. The legal level of control for appropriations is exercised at the budget unit 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. Prior to adoption of the budgets, a public hearing is held to receive comments.

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 Mono County economy is stable and experiencing slow but steady growth. Property tax sourced revenue sustained steep reductions through the economic downturn and its aftermath, declining \$1.9 million, or 10.7%, from its peak. Since that time, assessed values have nearly recovered to pre-2008 levels. Property and real property transfer taxes since fiscal year 2012-2013 have increased at rates between 1.96% and 2.73%. This growth is anticipated to continue into fiscal year 2018-2019 and fiscal year 2019-2020. The delinquency rate associated with current secured property tax collections is at its lowest in history, dropping from 11.1% at June 30, 2010 to 0.6% at June 30, 2018. Sales tax collections increased 2% in 2018 and are estimated to continue increasing at this rate. Tourism is a major economic sector in Mono County and represents an important revenue stream. The County also saw continued growth in transient occupancy tax (TOT) with revenues exceeding \$3.5 million, an increase of 5.5%. Program revenues essential to departments' ability to maintain public services continues to hold steady. Building permit activity is 37% of pre-recessionary levels but shows some signs of conservative growth. 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 several initiatives in FY 2017-2018 while maintaining core services during the year. The following highlights represent a partial list of the many accomplishments and on-going initiatives of the Mono County organization in FY 2017-2018:

- Total property tax collections increased to 99.4%, from 97.3%, of total billed in FY 2017-2018.
- The Board of Supervisors approved proceeding with the Mono County Civic Center project, which consists of the construction of a 33,000 square foot County Administrative Office Building in Mammoth Lakes. The project will consolidate all County departments currently providing services in leased space at Sierra Center Mall and Minaret Mall. Co-locating these departments in a single building increases efficiency and effectiveness of County operations and greatly improves the convenience, safety, and confidentiality of services to the public.
- A Request for Proposals from Design-Build Entities for the Mono County Civic Center project was distributed on February 26, 2018, and the successful proposal was submitted by Roebbelen Contracting of El Dorado Hills. A Design-Build Contract between Mono County and Roebbelen Contracting was finalized in August 8, 2018, with a contract limit of \$20,500,000. Construction is expected to start in April 2019, and the project is estimated to be available for occupancy in March 20210.
- On December 20, 2018, the County issued \$19,940,000 of Certificates of Participation, Series 2018 A for the purpose of financing construction of the Mono County Civic Center described above. The certificates were issued at a premium of \$2,266,117, for a total net proceeds of \$20,500,000, net of costs of issuance and capitalized interest.
- Successfully negotiated a new contract with the Mono County Public Safety Officers' Association.
- Initiated pre-construction planning activities, including completion of the real estate diligence, for a new jail facility in Bridgeport, funded with an award of \$25 million coming from SB 844 State grant monies.
- Completed the initial grant cycle for a Community Development Block Grant to fund a childcare program operated by the Mono County First-Five Commission. Towards the end of the fiscal year, Mono County received news the child care initiative would be funded for another three years with the award of an additional Community Development Block Grant of \$500,000.
- Renewed our issuer rating of AA3 from Moody's. In Mid-November 2018, received a credit rating of AA- long-term rating on the County's series 2018A certificates of participation with an outlook of stable.
- Utilized approximately \$600,000 of SB 1 gas tax funding to complete a 2018 pavement preservation project with roads and treatments selected based on the pavement management system.
- Clerk/Recorder's Office implemented SB 2, Affordable Housing Act fee assessed on certain recorded documents.

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. With the fiscal year 2016-17, the County established an economic stabilization reserve within the General Fund balance for the purpose of accumulating resources to offset future revenue losses during the next recession. The balance of the reserve at June 30, 2018, is \$1,805,192. A contingency appropriation of 1% of General Fund appropriations is included in each year's budget 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 annual growth in property values since 2014 has averaged 2.21% increase. Federal and State revenues have begun to rebound. However, budget challenges are ahead. The County expects increases in personnel costs resulting from salary alignment with the market, health care premium increases and escalation of required pension retirement contributions.

ACKNOWLEDGMENTS

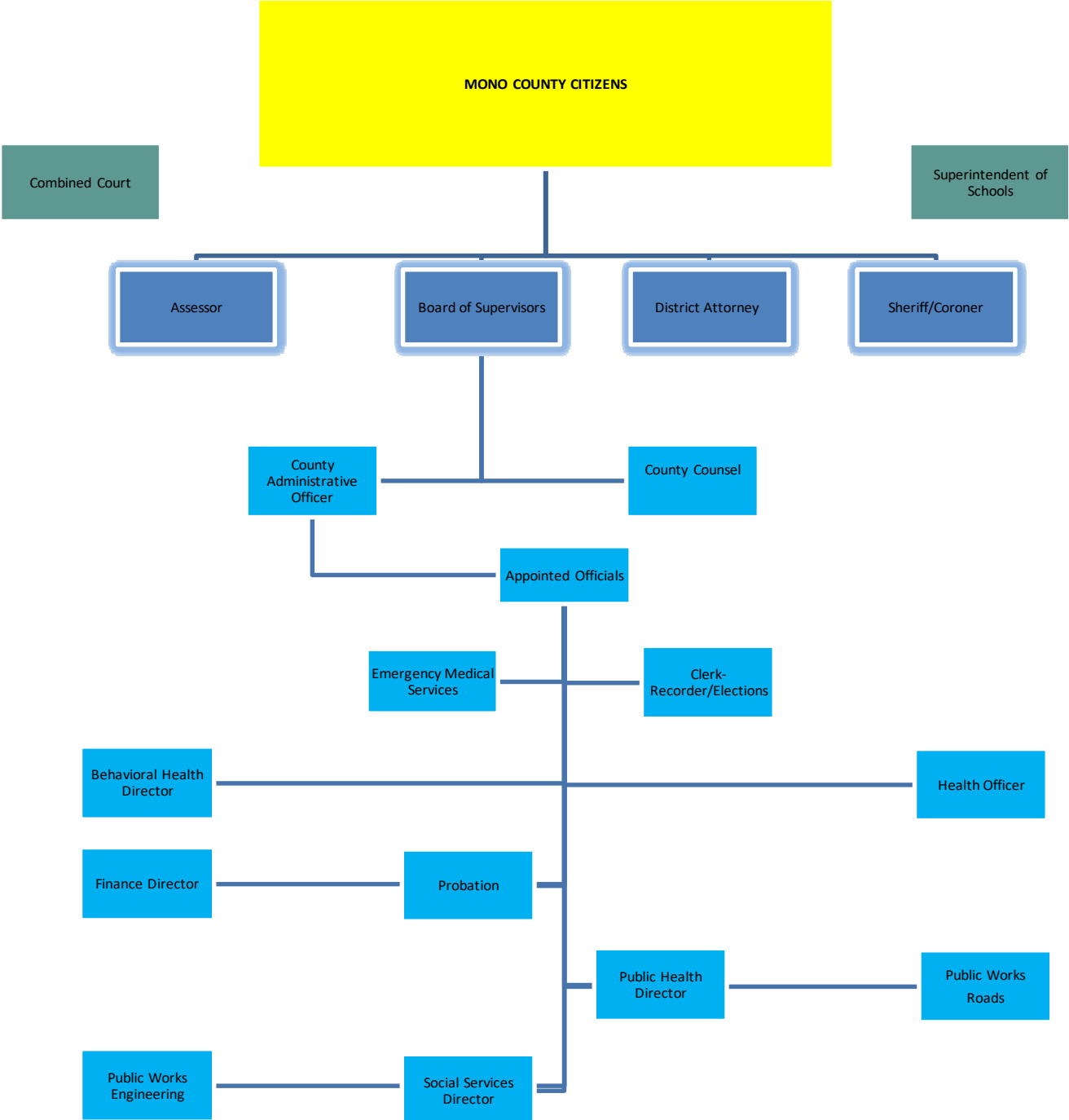
The preparation of this CAFR was achieved through the combined efforts of numerous individuals. We are especially grateful to the Finance Department staff for their outstanding efforts and many hours, which helped us further our objectives of timely and accurate financial reporting. We would also like 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 29th day of March, 2019,



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 27, 2019

DEPARTMENT	DEPARTMENT OFFICIAL
ELECTED OFFICIALS	
Assessor	Barry Beck
Board of Supervisors	
District #1	Jennifer Halferty
District #2	Fred Stump
District #3	Bob Gardner
District #4	John Peters, Chair
District #5	Stacy Corless
District Attorney	Tim Kendall
Sheriff- Coroner	Ingrid Braun
Combined Court	Mark G. Magit
Superintendent of Schools	Stacey Alder
APPOINTED OFFICIALS	
County Administrative Officer	Leslie Chapman
County Counsel	Stacey Simon
Behavioral Health Director	Robin Roberts
Clerk-Recorder/Clerk of the Board	Shannon Kendall
EMS Chief	Chris Mokracek
Finance Director	Janet Dutcher, CPA, CGFM
Health Officer	Tom Boo, MD
Probation Chief	Karin Humiston
Public Health Director	Sandra Pearce
Public Works Director	Anthony Dublino
Social Services Director	Kathy Peterson

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To 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, California (the "County"), as of and for the year ended June 30, 2018, 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 County'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 County'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.

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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 of Mono, California as of June 30, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 5-16, schedule of changes in net pension liability and related ratios – agent plan on page 79, schedule of pension plan contributions – agent plan on page 80, schedule of proportionate share of the net pension liability and related ratios as of the measurement date and schedule of contributions – cost sharing plan on page 81, schedule of changes in net OPEB liability and related ratios on page 82, and analysis and budgetary comparison information on pages 84–90 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 and other auditors 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 statistics 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are 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.

Emphasis of Matter

Implementation of New Accounting Standard

As disclosed in Note 8 of the financial statements, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of the County of Mono California'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.

Price Page & Company

Clovis, California
March 29, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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COUNTY OF MONO

Management's Discussion and Analysis June 30, 2018

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, 2018. 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 \$20,925,563 at June 30, 2018 and decreased from the prior year by \$16,251,733 (43.71%), primarily due to the implementation of GASB Statement 75 requiring the reporting of the County's other postemployment benefits (OPEB) liability.
- The County's overall assets exceeded its liabilities at the close of the most recent fiscal year by \$20,925,563 (net position). Of this amount, \$41,410,563 is invested in Capital Assets net of debt; \$24,601,796 is restricted for various programs; and (\$45,086,796) is unrestricted for governmental activities. The unrestricted deficit is due to the implementation of GASB Statement 68 which requires the reporting of the net pension liability and the implementation of GASB Statement 75 which requires the reporting of the other postemployment benefits liability. Together, these liabilities totaled \$68.7 million at June 30, 2018.
- As of June 30, 2018, the County's governmental funds reported combined ending fund balances of \$38,235,330, an increase of \$2,987,238, or 8.47%, in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the governmental type funds was \$8,370,850, or 16.02% of total general government expenditures, a 97.25% increase in unassigned fund balance from last year.
- Total long-term liabilities in the Solid Waste enterprise fund decreased by \$278,345 during the fiscal year. Closure/post closure costs increased by \$244,617. The net pension liability is included and decreased by \$63,099 from the prior fiscal year. Advances from other funds and refunded certificates of participation decreased by \$440,200 due to payments issued.
- 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 \$465,000 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.

COUNTY OF MONO

Management's Discussion and Analysis June 30, 2018

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.

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 287 individual funds, including 193 fiduciary funds, organized according to type (governmental, fiduciary, or proprietary). On the financial statements for governmental funds, information is presented separately for four major funds: General Fund, the Road Fund, the Realignment Fund, and the Mental Health Services Act 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.

COUNTY OF MONO

Management's Discussion and Analysis June 30, 2018

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. 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, schedule of changes in net OPEB liability, and schedule of the County's OPEB contributions 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.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 48,687,648	\$ 48,694,317	\$ 7,011,697	\$ 6,407,888	\$ 55,699,345	\$ 55,102,205
Capital assets	35,091,522	35,036,545	6,319,041	6,591,060	41,410,563	41,627,605
Total Assets	<u>83,779,170</u>	<u>83,730,862</u>	<u>13,330,738</u>	<u>12,998,948</u>	<u>97,109,908</u>	<u>96,729,810</u>
Deferred outflows of resources						
Deferred pensions	15,768,377	10,588,868	223,588	219,142	15,991,965	10,808,010
Current and other liabilities	2,824,149	2,438,834	644,187	614,746	3,468,336	3,053,580
Long term liabilities	74,863,143	54,102,836	10,803,695	11,056,698	85,666,838	65,159,534
Total Liabilities	<u>77,687,292</u>	<u>56,541,670</u>	<u>11,447,882</u>	<u>11,671,444</u>	<u>89,135,174</u>	<u>68,213,114</u>
Deferred inflows of resources						
Deferred pensions	2,997,182	2,109,352	43,954	38,058	3,041,136	2,147,410
Net investment in capital assets	35,091,522	35,036,545	6,319,041	6,591,060	41,410,563	41,627,605
Restricted	24,597,148	20,397,419	4,648	4,648	24,601,796	20,402,067
Unrestricted	(40,825,597)	(19,765,256)	(4,261,199)	(5,087,120)	(45,086,796)	(24,852,376)
Total Net Position	<u>\$ 18,863,073</u>	<u>\$ 35,668,708</u>	<u>\$ 2,062,490</u>	<u>\$ 1,508,588</u>	<u>\$ 20,925,563</u>	<u>\$ 37,177,296</u>

Statement of Activities

The County's net position was \$20,925,563 as of June 30, 2018, a decrease of \$16,251,733, or 43.71%, during the fiscal year, primarily due to the implementation of GASB Statement 75 requiring the reporting of the County's other postemployment benefits (OPEB) 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. As of June 30, 2018, the County did not have any capital related debt.

Restricted net position represents resources that are subject to external restrictions on how they may be used. The County's restricted net position of \$24,601,796 or 117.57% of total net position is comprised of the following resources:

- Road projects – 6.69% of total net position
- Health and social services – 44.32% of total net position
- County service areas – 7.78% of total net position
- Community development – 4.67% of total net position
- Grant programs – 36.52% of total net position
- Endowment – .02% of total net position

During the fiscal year ended June 30, 2018, restricted net position increased \$4,199,729 or 20.58%.

Unrestricted net position (deficit) is (\$45,086,796) or (215.46%) of total net position. Most of the deficit is due to financial reporting for the *net pension liability* and *other postemployment benefits*.

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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) had a decrease in net position of \$16,,251,733, or 43.71%, to \$20,925,563 for the year ended June 30, 2018.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Fees, Fines & Charges for Services	\$ 8,041,468	\$ 6,816,510	\$ 3,134,756	\$ 3,064,851	\$ 11,176,224	\$ 9,881,361
Operating grants	21,850,588	20,243,272	40,000	62,799	21,890,588	20,306,071
Capital grants	647,828	598,587	28,411	464,976	676,239	1,063,563
General revenues:						
Property taxes	21,328,513	20,369,909	--	--	21,328,513	20,369,909
Sales and use taxes	597,335	585,375	--	--	597,335	585,375
Other taxes	3,548,347	3,349,252	--	--	3,548,347	3,349,252
Interest/Investment earnings	563,358	300,085	95,128	59,468	658,486	359,553
Total Revenues	56,577,437	52,262,990	3,298,295	3,652,094	59,875,732	55,915,084
Expenses:						
General government	12,018,816	10,149,677	--	--	12,018,816	10,149,677
Public protection	18,607,098	18,037,087	--	--	18,607,098	18,037,087
Public ways and facilities	6,067,474	6,465,642	--	--	6,067,474	6,465,642
Health and Sanitation	9,663,773	8,568,557	--	--	9,663,773	8,568,557
Public assistance	5,234,293	4,628,204	--	--	5,234,293	4,628,204
Education	25,566	41,847	--	--	25,566	41,847
Recreation and culture	103,700	104,422	--	--	103,700	104,422
Interest and fiscal charges	57,046	182,838	--	--	57,046	182,838
Solid Waste Landfill	--	--	2,308,561	2,490,582	2,308,561	2,490,582
Airport	--	--	359,609	326,819	359,609	326,819
Campgrounds	--	--	35,237	32,240	35,237	32,240
Cemeteries	--	--	15,899	14,828	15,899	14,828
Total Expenses	51,777,766	48,178,274	2,719,306	2,864,469	54,497,072	51,042,743
Change in net position before transfers	4,799,671	4,084,716	578,989	787,625	5,378,660	4,872,341
Transfers	25,087	(13,980)	(25,087)	13,980	--	--
Change in net position	4,824,758	4,070,736	553,902	801,605	5,378,660	4,872,341
Net position - beginning	35,668,708	29,134,647	1,508,588	706,983	37,177,296	29,841,630
Prior period adjustment	(21,630,393)	2,463,325	--	--	(21,630,393)	2,463,325
Net position - beginning, as restated	14,038,315	31,597,972	1,508,588	706,983	15,546,903	32,304,955
Net position, ending	\$ 18,863,073	\$ 35,668,708	\$ 2,062,490	\$ 1,508,588	\$ 20,925,563	\$ 37,177,296

Analysis of Governmental Activities

Governmental Activities increased the County's net position by \$4,799,671 before transfers, an increase of \$714,955 over the prior year, offsetting 29.53% of the County's total decrease in net position. Business-type activities contributed to the decrease in net position by \$578,989 before transfers, and offsetting 3.56% of the County's total decrease in net position. The remaining total decrease in net position is a result from prior period adjustments in the amount of \$21,630,393, or 133.10% of the total decrease in net position. The reduction in net position of \$21,630,393 is comprised of the following and mainly attributable to the implementation of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB):

- Reclassification of outstanding balance of long-term notes payable previously reported as accounts payable - \$96,473\
- Remove the prior year net OPEB Asset - (\$5,394,695)
- Record the net OPEB Liability - (\$19,440,386)
- Record the deferred outflows of resources (OPEB) - \$3,108,215

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Revenues: Revenues for the County's governmental activities had an overall increase from the prior year of \$4,314,447, or 8.26%, to \$56,577,437. 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 increased overall by \$2,881,515, or 10.42%, from the prior year to \$30,539,884. Of the total increase, \$1,224,958 represents Fees, Fines and Charges for Services; \$1,607,316 represents Operating Grants, and \$49,241 represents Capital Grants.

General Revenues include property taxes, sales and use taxes, other taxes/revenues, and interest/investment earnings. General revenues increased by \$1,432,932, or 5.82%, from the prior year to \$26,037,553. Increases occurred in property tax receipts and transient occupancy tax as well as higher earnings on investments.

Expenses: Governmental activities had an increase in total expenses of \$3,599,492, or 7.47%. Approximately \$2.9 million is the result of increases in salaries and benefits.

Analysis of Business-Type Activities

Business-type activities change in net position before transfers was \$578,989 as of June 30, 2018. The change in net position before transfers offsets 3.55% of the County's total decrease in net position.

Revenues for the County's Business-Type Activities had a decrease from the prior year of \$353,799 before transfers, or 9.69%, to \$3,298,295. Expenses decreased over the prior year by \$145,163, or 5.07%, to \$2,719,306, attributable mainly to a reduction in expenses in the Solid Waste program.

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, 2018, the County's governmental funds reported combined ending fund balances of \$38,235,330, an increase of \$2,987,238, or 8.47%, 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, \$2,798,485, consists of amounts that are not spendable in form or are legally or contractually required to be maintained intact and consists of:
 - Advances - \$564,013
 - Prepaid expenses - \$94,649
 - Inventories - \$340,633
 - Loans Receivable - \$1,799,190
- Restricted fund balance, \$23,309,748, 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:

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- Road projects - \$1,642,730
 - Health and social services - \$10,655,938
 - County service areas - \$1,914,676
 - Community development - \$528,728
 - Grant programs - \$8,567,676
- Committed fund balance, \$200,987, consists of amounts that have been committed to specific purposes by the Board of Supervisors and consists of amounts committed to:
 - Revolving Loan Fund - \$200,987
 - Assigned fund balance, \$3,555,260, represents amounts intended for use as determined by the Board of Supervisors and consists of amounts assigned to:
 - Eliminate projected FY 18/19 budgetary deficit - \$1,522,579
 - Capital projects - \$1,662,165
 - Debt service - \$193,569
 - Fish enhancement - \$47,399
 - Tourism - \$129,548
 - Unassigned fund balance, \$8,370,850, represents the residual classification for the General Fund and negative amounts from other governmental funds, if any.

Unassigned fund balance represents approximately 21.89% (an increase 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, 2018, unassigned fund balance of the general fund was \$8,783,159 while total fund balance reached \$13,107,982. As measures of this fund's liquidity, it is useful to note that unassigned fund balance represents 26.53% of total fund expenditures, while total fund balance represents 67.01% 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 15.46%, or \$3,365,216, to \$25,127,348, after restatement, with the following significant changes:

- The Realignment Fund had a fund balance of \$7,330,030 which was all restricted. This was a \$1.15 million increase over the prior year.

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- The Mental Health Services Act Fund had a fund balance of \$6,555,157, an increase of \$814,436 over the prior year. The Mental Health Service Act Fund had an increase in fund balance, all restricted, due to an increase in state revenues received.
- The other major governmental funds unassigned fund balance of negative \$412,309 reflects delays in funding reimbursement for expenditure driven programs once the expenditures have been made. The general fund covers this deficit while waiting for reimbursement.

Revenues:

Revenues for governmental funds totaled \$55,515,378 for fiscal year 2017-18, which represents an increase of 7.67% from fiscal year 2016-17.

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 2018		FY 2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 25,474,195	45.89%	\$ 24,304,536	47.14%	\$ 1,169,659	4.81%
Licenses and permits	658,000	1.19%	608,659	1.18%	49,341	8.11%
Fines, forfeitures & penalties	1,275,822	2.30%	958,741	1.86%	317,081	33.07%
Use of money & property	588,642	1.06%	354,810	0.69%	233,832	65.90%
Intergovernmental	22,210,916	40.01%	20,553,809	39.86%	1,657,107	8.06%
Charges for services	4,737,441	8.53%	4,009,240	7.78%	728,201	18.16%
Other	570,362	1.03%	768,820	1.49%	(198,458)	-25.81%
Total	\$ 55,515,378	100%	\$ 51,558,615	100%	\$ 3,956,763	7.67%

- 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 governmental funds increased by \$1,169,659 or 4.81%, over the prior fiscal year due to the continued gradual recovery of the real estate market, which in turn increased real estate values and therefore county property tax revenues, and increased tourism.
- Licenses and permits – Licenses and permits had an increase of \$49,341, or 8.11% over the prior fiscal year.
- Use of money and property – Better interest rates, prudent investing and higher cash balances resulted in higher earnings for 2017-18, resulting in an increase of \$233,832, or 65.9% over the prior fiscal year.
- Intergovernmental Revenues – These types of revenues increased by \$1,657,107, or 8.06% and are primarily from federal and state funding sources.
- Charges for services – An increase of \$728,201, or 18.16%, in these types of revenues can be partly attributed to an increase in use of services, late penalties and fees on property tax revenue, and 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 2018		FY 2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 11,519,055	22.04%	\$ 10,663,979	22.74%	\$ 855,076	8.02%
Public protection	19,205,112	36.75%	17,473,535	37.26%	1,731,577	9.91%
Public ways and facilities	4,780,243	9.15%	4,117,296	8.78%	662,947	16.10%
Health and sanitation	9,586,446	18.34%	8,634,747	18.41%	951,699	11.02%
Public assistance	5,171,201	9.90%	4,791,676	10.22%	379,525	7.92%
Education	25,566	0.05%	41,847	0.09%	(16,281)	-38.91%
Debt Service, Principal	887,853	1.70%	798,573	1.70%	89,280	11.18%
Debt service, Interest and other costs	57,570	0.11%	88,791	0.19%	(31,221)	-35.16%
Capital outlay	1,024,792	1.96%	286,063	0.61%	738,729	258.24%
Total Expenditures	\$ 52,257,838	100%	\$ 46,896,507	100%	\$ 5,361,331	11.43%

- General government – An increase of \$855,076, or 8.02%, in expenditures partially resulting from filling vacant positions as well as salary increases according to negotiated union contracts and benefit increases such as medical and retirement costs.
- Public protection – This expenditure group had an increase of \$1,731,577, or 9.91% and includes increases in salary and benefits and services and supplies.
- Public ways and facilities – Many road and transportation projects are grant funded. There was a \$662,947, or 16.1%, increase in public ways and facilities expenditures. Nearly all of this increase results from the use of Senate Bill 1, new gas tax monies, to improve local roads.
- Public assistance – FY 2017-18 saw an 7.92% increase over the prior fiscal year, or \$379,525. 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 \$553,902 after transfers in the current fiscal year to \$2,062,490. The solid waste enterprise fund increased their net position by \$882,118, decreasing their deficit net position from the prior fiscal year. The airport enterprise fund decreased their net position from the prior fiscal year by \$346,407, primarily due to a reduction in capital contributions received.
- The total net position of internal service funds increased by \$1,970,776 from \$2,190,495 to \$4,161,271 primarily due to an increase in charges for services that resulted from rate recalculations, which includes a component to fund replacement of capital assets in the future.

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General Fund Budgetary Highlights

The Board adopted their initial budget September 12, 2017, after much hard work and public hearings. This initial adopted budget allowed for revenues of \$36,252,033 and expenditures of \$41,913,188. The gap was met through prior year fund balance. A mid-year budget review occurred in February 2018 that resulted in an overall decrease to fund balance in the General Fund of \$127,787. As of June 30, 2018, the final budget for general fund revenues was \$36,351,782 and expenditures, \$42,119,146. The overall budget changes throughout the fiscal year for the general fund resulted in an increase of \$99,749 in revenues and an increase in expenditures of \$205,958.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its Governmental Activities, as of June 30, 2018, totals \$35,091,522 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, infrastructure and construction in progress. The total increase in the County's governmental net investment in capital assets for the current period was \$54,977, or 0.16% (net of accumulated depreciation). Current depreciation for governmental type funds is \$2,289,535. Business-type function assets had a decrease of \$272,019, or 4.13%. Business-type activities total \$354,019 in current year depreciation and total assets net of depreciation is \$6,319,041.

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, 2018, total CIP increased by \$443,603, consisting of \$369,068 in transfers due to project completion and transfers/disposals and \$812,671 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,793,617	\$ 6,793,617	\$ 328,423	\$ 328,423	\$ 7,122,040	\$ 7,122,040
Construction in progress	1,895,624	1,452,021	--	--	1,895,624	1,452,021
Infrastructure	94,921,931	94,283,897	463,141	463,141	95,385,072	94,747,038
Structures & improvements	19,023,057	18,621,557	7,812,944	7,730,944	26,836,001	26,352,501
Equipment	18,742,832	18,026,793	1,532,463	1,532,463	20,275,295	19,559,256
Intangibles	1,148,577	1,148,577	--	--	1,148,577	1,148,577
Accumulated Depreciation	(107,434,116)	(105,289,917)	(3,817,930)	(3,463,911)	(111,252,046)	(108,753,828)
Total	\$ 35,091,522	\$ 35,036,545	\$ 6,319,041	\$ 6,591,060	\$ 41,410,563	\$ 41,627,605

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, 2018, the County Governmental activities had total long-term liabilities outstanding of \$74,863,143:

	Long Term Liabilities					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Pension obligation bonds	\$ 696,600	\$ 1,459,500	\$ --	\$ --	\$ 696,600	\$ 1,459,500
Notes payable	271,026	150,229	--	--	271,026	150,229
Compensated absences	2,941,849	3,042,040	53,869	51,440	2,995,718	3,093,480
Net pension liability	50,886,605	46,661,293	957,935	1,021,034	51,844,540	47,682,327
Net OPEB liability	16,902,308	19,440,386	--	--	16,902,308	19,440,386
Claims liability	3,164,755	2,940,003	--	--	3,164,755	2,940,003
Refunded certificates of participation	--	--	1,945,900	2,182,700	1,945,900	2,182,700
Loan payable	--	--	--	--	--	--
Landfill postclosure cost	--	--	7,845,991	7,601,374	7,845,991	7,601,374
Total	<u>\$ 74,863,143</u>	<u>\$ 73,693,451</u>	<u>\$ 10,803,695</u>	<u>\$ 10,856,548</u>	<u>\$ 85,666,838</u>	<u>\$ 84,549,999</u>

Total governmental long-term liabilities increased by \$20,760,307, or 38.37%, during the fiscal year ended June 30, 2018 largely in part to adjustments in net pension liability and the implementation of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). Claims liability also increased by \$224,752, or 7.64%, over the prior fiscal year.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

- The County’s Net Position decreased by \$16,251,733, after restatements, from 2016-17 to 2017-18.
- The unemployment rate for Mono County annualized for 2017 was 4.4% and for 2018 was 3.9%. The State’s average unemployment rate as of Dec 2018 was 4.1%. The unemployment rate for Mono County dropped by .5% when compared to 2017. 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. The Assessor continues to monitor Prop 8 values and the delinquency rate continues to decrease as properties affected by the economic downturn are continuing to recover. Total assessed valuations in Mono County increased 4.23% from the 2017 to the 2018 total roll value.
- In 2017-18, certain MOU negotiations resulted in salary adjustments (increases), such as pay increases, COLAs and step-increases, but also included slight increases in employee participation for health benefits. A salary survey was completed in 2018-19 and the results are being analyzed. A 5% increase in salaries is included in the 2018-19 budget in anticipation of the survey’s results.
- For 2018-19, the employer payment of the PERS unfunded liability will increase by \$540,651, or 18.62% from the previous year. The lump sum payment due in 2018-19 for the unfunded liability is \$3,443,958.
- For revenue, transient occupancy tax (TOT) again reached an all-time high of over \$3.5 million for the fiscal year ended June 30, 2018 due to tourism, a major economic industry in Mono County. The cost of living adjustment for property taxes effective 1-1-2018 is set at 2% creating cautious optimism for the future.

These factors plus others were considered in preparing the County’s budget for the 2018-19 fiscal year.

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The 2018-19 adopted budget is sufficient to:

- Provide core services including public safety, public health, community safety net services, road and infrastructure repairs and improvements, community and economic development services and governance and administration;
- Contribute \$50,000 towards the Mono County/Town of Mammoth Lakes shared Recreation position;
- Invest in Public Works staff positions to enhance the County's ability to replace the old, run down hospital building with a new jail that will provide educational programs to inmates and medical services to both inmates and community members by leveraging \$25 million in in grant funds from the Board of State and Community Corrections;
- Utilize State and Federal Construction funds from Senate Bill #1 and other road improvement funds totaling almost \$3 million to execute the 5-year Road Capital Improvement Plan. Current year projects include Eastside Lane and Hackney Dr. in Antelope Valley, Convict Lake Road, Airport Road, fog seal and stripping on various roads, slurry seal in Mono City and Benton Crossing Road, and South Landing Road overlay;
- Replace the recently retired Community Development Director and add an Assistant Planner to help absorb the increasing workload from an improving economy and new Cannabis regulations;
- Provide \$300,000 to continue improvements to the County emergency radio system that is used by law enforcement, fire departments and emergency medical responders;
- Facilitate implementation of the results of the salary survey by appropriating an additional 5% to salaries and benefits;
- Replace the failing, countywide telephone system;
- Stock fish during the summer months to enhance the outdoor experience for our tourists and residents;
- Provide funding for Senior services at the current level; and
- Fund emergency medical services at the current level.

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, 2018

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments	\$ 35,549,309	\$ 3,352,999	\$ 38,902,308
Cash with fiscal agent	45,413	-	45,413
Restricted cash	-	3,433,881	3,433,881
Accounts receivable	448,683	222,534	671,217
Due from other governments	5,175,146	171	5,175,317
Taxes receivable	996,208	-	996,208
Deposits with others	3,773,417	-	3,773,417
Prepaid expense	94,649	-	94,649
Inventories	340,633	2,112	342,745
Loans receivable	1,799,190	-	1,799,190
Other assets - Other Post Employment Benefits	-	-	-
Internal balances	465,000	(465,000)	-
Capital assets:			
Nondepreciable	8,689,240	328,423	9,017,663
Depreciable, net	26,402,282	5,990,618	32,392,900
Total Assets	<u>83,779,170</u>	<u>12,865,738</u>	<u>96,644,908</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	13,066,336	223,588	13,289,924
Deferred amounts related to OPEB	2,702,041	-	2,702,041
	<u>15,768,377</u>	<u>223,588</u>	<u>15,991,965</u>
LIABILITIES			
Accounts payable	1,622,676	138,533	1,761,209
Salaries and benefits payable	1,141,999	26,741	1,168,740
Interest payable	4,801	13,913	18,714
Deposits from others	800	-	800
Unearned revenue	53,873	-	53,873
Long-term liabilities:			
Portion due or payable within one year	5,165,144	295,342	5,460,486
Portion due or payable after one year	69,697,999	10,508,353	80,206,352
Total Liabilities	<u>77,687,292</u>	<u>10,982,882</u>	<u>88,670,174</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,269,962	43,954	2,313,916
Deferred amounts related to OPEB	727,220	-	727,220
	<u>2,997,182</u>	<u>43,954</u>	<u>3,041,136</u>
NET POSITION			
Net investment in capital assets	35,091,522	6,319,041	41,410,563
Restricted	24,597,148	4,648	24,601,796
Unrestricted	(40,825,597)	(4,261,199)	(45,086,796)
Total Net Position	<u>\$ 18,863,073</u>	<u>\$ 2,062,490</u>	<u>\$ 20,925,563</u>

See accompanying notes to the basic financial statements.

COUNTY OF MONO
Statement of Activities
For the Year Ended June 30, 2018

FUNCTION / PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 12,018,816	\$ 3,486,850	\$ 385,235	\$ -
Public protection	18,607,098	1,636,585	5,412,928	71,752
Public ways and facilities	6,067,474	558,351	3,615,260	432,525
Health and sanitation	9,663,773	2,020,388	7,014,694	-
Public assistance	5,234,293	339,294	5,420,045	143,551
Education	25,566	-	2,426	-
Recreation and culture	103,700	-	-	-
Interest on long-term debt	57,046	-	-	-
Total Governmental Activities	<u>51,777,766</u>	<u>8,041,468</u>	<u>21,850,588</u>	<u>647,828</u>
Business-Type Activities				
Solid Waste	2,308,561	3,079,007	20,000	-
Airport	359,609	7,954	20,000	28,411
Campgrounds	35,237	42,339	-	-
Cemeteries	15,899	5,456	-	-
Total Business-type Activities	<u>2,719,306</u>	<u>3,134,756</u>	<u>40,000</u>	<u>28,411</u>
Total Primary Government	<u>\$ 54,497,072</u>	<u>\$ 11,176,224</u>	<u>\$ 21,890,588</u>	<u>\$ 676,239</u>

GENERAL REVENUES AND TRANSFERS

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

CHANGES IN NET POSITION

Net Position - Beginning of Year, restated

NET POSITION, END OF YEAR

Net (Expense) Revenue and
Changes in Net Position

Primary Government			
Governmental Activities	Business- Type Activities	Total	
			FUNCTION / PROGRAM ACTIVITIES
			Primary Government
			Governmental Activities:
\$ (8,146,731)	\$ -	\$ (8,146,731)	General government
(11,485,833)	-	(11,485,833)	Public protection
(1,461,338)	-	(1,461,338)	Public ways and facilities
(628,691)	-	(628,691)	Health and sanitation
668,597	-	668,597	Public assistance
(23,140)	-	(23,140)	Education
(103,700)	-	(103,700)	Recreation and culture
(57,046)	-	(57,046)	Interest on long-term debt
(21,237,882)	-	(21,237,882)	Total Governmental Activities
			Business-Type Activities
-	790,446	790,446	Solid Waste
-	(303,244)	(303,244)	Airport
-	7,102	7,102	Campgrounds
-	(10,443)	(10,443)	Cemeteries
-	483,861	483,861	Total Business-type Activities
(21,237,882)	483,861	(20,754,021)	Total Primary Government
			GENERAL REVENUES AND TRANSFERS
			Taxes:
21,328,513	-	21,328,513	Property
597,335	-	597,335	Sales and use
3,548,347	-	3,548,347	Transient occupancy
563,358	95,128	658,486	Unrestricted investment earnings
25,087	(25,087)	-	Transfers
26,062,640	70,041	26,132,681	Total General Revenues
4,824,758	553,902	5,378,660	CHANGES IN NET POSITION
14,038,315	1,508,588	15,546,903	Net Position - Beginning of Year, restated
\$ 18,863,073	\$ 2,062,490	\$ 20,925,563	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, 2018

	General	Road	Realignment	Mental Health Services Act
ASSETS				
Cash and investments	\$ 10,060,681	\$ 1,244,265	\$ 6,821,376	\$ 6,390,819
Accounts receivable	299,698	5,216	-	-
Due from other governments	2,452,455	545,484	513,910	203,253
Taxes receivable	996,208	-	-	-
Due from other funds	131,326	-	-	-
Advances to other funds	564,013	-	-	-
Prepaid expenses	68,665	-	-	-
Inventories	1,266	339,367	-	-
Loans receivable	887,327	-	-	-
	<u>\$ 15,461,639</u>	<u>\$ 2,134,332</u>	<u>\$ 7,335,286</u>	<u>\$ 6,594,072</u>
LIABILITIES				
Accounts payable	\$ 613,850	\$ 81,461	\$ -	\$ 8,028
Salaries and benefits payable	832,999	70,774	-	30,887
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deposits from others	800	-	-	-
Unearned revenues	10,300	-	-	-
Total Liabilities	<u>1,457,949</u>	<u>152,235</u>	<u>-</u>	<u>38,915</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>895,708</u>	<u>-</u>	<u>5,256</u>	<u>-</u>
FUND BALANCES				
Nonspendable	1,521,271	339,367	-	-
Restricted	-	1,642,730	7,330,030	6,555,157
Committed	-	-	-	-
Assigned	2,803,552	-	-	-
Unassigned	8,783,159	-	-	-
Total Fund Balances	<u>13,107,982</u>	<u>1,982,097</u>	<u>7,330,030</u>	<u>6,555,157</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,461,639</u>	<u>\$ 2,134,332</u>	<u>\$ 7,335,286</u>	<u>\$ 6,594,072</u>

See accompanying notes to the basic financial statements.

Other Governmental	Total	
		ASSETS
\$ 9,197,308	\$ 33,714,449	Cash and investments
143,715	448,629	Accounts receivable
1,460,044	5,175,146	Due from other governments
-	996,208	Taxes receivable
149,909	281,235	Due from other funds
-	564,013	Advances to other funds
25,984	94,649	Prepaid expenses
-	340,633	Inventories
911,863	1,799,190	Loans receivable
<u>\$ 11,888,823</u>	<u>\$ 43,414,152</u>	Total Assets
		LIABILITIES
\$ 884,303	\$ 1,587,642	Accounts payable
196,141	1,130,801	Salaries and benefits payable
281,235	281,235	Due to other funds
99,013	99,013	Advances from other funds
-	800	Deposits from others
43,573	53,873	Unearned revenues
<u>1,504,265</u>	<u>3,153,364</u>	Total Liabilities
		DEFERRED INFLOWS OF RESOURCES
<u>1,124,494</u>	<u>2,025,458</u>	Unavailable revenues
		FUND BALANCES
937,847	2,798,485	Nonspendable
7,781,831	23,309,748	Restricted
200,987	200,987	Committed
751,708	3,555,260	Assigned
(412,309)	8,370,850	Unassigned
<u>9,260,064</u>	<u>38,235,330</u>	Total Fund Balances
<u>\$ 11,888,823</u>	<u>\$ 43,414,152</u>	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, 2018

Fund balance - total governmental funds \$ 38,235,330

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.

Deferred outflow amounts related to pensions	13,035,777
Deferred outflow amounts related to OPEB	2,702,041
Deferred inflow amounts related to pensions	(2,269,962)
Deferred inflow amounts related to OPEB	(721,213)

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

33,266,633

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

2,025,458

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.

4,161,271

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	(696,600)
Loans payable	(271,026)
Compensated absences	(2,941,849)
Net pension liability	(50,755,678)
Net OPEB liability	(16,902,308)
Interest payable	(4,801)

Net position of governmental activities

\$ 18,863,073

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, 2018

	General	Road	Realignment	Mental Health Services Act
REVENUES				
Taxes	\$ 25,245,348	\$ -	\$ -	\$ -
Licenses and permits	340,140	14,266	-	-
Fines, forfeitures and penalties	1,069,705	68,870	-	-
Use of money and property	294,989	11,181	96,833	88,013
Intergovernmental	3,515,808	3,092,334	3,536,647	1,819,686
Charges for services	3,404,115	474,465	-	-
Other revenues	28,383	167	-	-
Total Revenues	<u>33,898,488</u>	<u>3,661,283</u>	<u>3,633,480</u>	<u>1,907,699</u>
EXPENDITURES				
Current:				
General government	11,329,341	-	-	-
Public protection	17,548,604	-	7,722	-
Public ways and facilities	-	4,101,159	-	-
Health and sanitation	4,011,176	-	-	1,093,263
Public assistance	172,746	-	-	-
Education	25,566	-	-	-
Debt service:				
Principal	21,169	-	-	-
Interest and other related costs	2,800	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>33,111,402</u>	<u>4,101,159</u>	<u>7,722</u>	<u>1,093,263</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>787,086</u>	<u>(439,876)</u>	<u>3,625,758</u>	<u>814,436</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	224,000	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	1,558,679	1,019,418	-	-
Transfers out	(2,947,743)	-	(2,474,705)	-
Total Other Financing Sources and (Uses)	<u>(1,165,064)</u>	<u>1,019,418</u>	<u>(2,474,705)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(377,978)	579,542	1,151,053	814,436
Fund Balances, Beginning of Year, restated	<u>13,485,960</u>	<u>1,402,555</u>	<u>6,178,977</u>	<u>5,740,721</u>
FUND BALANCE, END OF THE YEAR	<u>\$ 13,107,982</u>	<u>\$ 1,982,097</u>	<u>\$ 7,330,030</u>	<u>\$ 6,555,157</u>

See accompanying notes to the basic financial statements.

Other Governmental	Total	
		REVENUES
\$ 228,847	\$ 25,474,195	Taxes
303,594	658,000	Licenses and permits
137,247	1,275,822	Fines, forfeitures and penalties
97,626	588,642	Use of money and property
10,246,441	22,210,916	Intergovernmental
858,861	4,737,441	Charges for services
541,812	570,362	Other revenues
<u>12,414,428</u>	<u>55,515,378</u>	Total Revenues
		EXPENDITURES
		Current:
189,714	11,519,055	General government
1,648,786	19,205,112	Public protection
679,084	4,780,243	Public ways and facilities
4,482,007	9,586,446	Health and sanitation
4,998,455	5,171,201	Public assistance
-	25,566	Education
		Debt service:
866,684	887,853	Principal
54,770	57,570	Interest and other related costs
1,024,792	1,024,792	Capital outlay
<u>13,944,292</u>	<u>52,257,838</u>	Total Expenditures
		Excess (Deficiency) of Revenues Over
<u>(1,529,864)</u>	<u>3,257,540</u>	(Under) Expenditures
		OTHER FINANCING SOURCES (USES)
21,750	245,750	Proceeds from issuance of debt
13,775	13,775	Proceeds from sale of capital assets
3,785,984	6,364,081	Transfers in
<u>(1,471,460)</u>	<u>(6,893,908)</u>	Transfers out
		Total Other Financing Sources and
<u>2,350,049</u>	<u>(270,302)</u>	(Uses)
		NET CHANGES IN FUND BALANCES
820,185	2,987,238	Fund Balances, Beginning of Year, restated
<u>8,439,879</u>	<u>35,248,092</u>	
<u>\$ 9,260,064</u>	<u>\$ 38,235,330</u>	FUND BALANCE, END OF THE YEAR

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, 2018

Net change to fund balances - total governmental funds		\$ 2,987,238
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	1,648,813	
Less: current year depreciation	<u>(2,152,330)</u>	(503,517)
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.		
		287,333
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.		
		4,782,691
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.		
Proceeds from issuance of long-term debt	(245,750)	
Principal repayments	<u>887,853</u>	642,103
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	100,191	
Change in accrued interest	<u>524</u>	100,715
Changes to the net OPEB liability and OPEB 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.		
		1,404,684
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.		
		(6,847,265)
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>1,970,776</u>
Change in net position of governmental activities		<u>\$ 4,824,758</u>

See accompanying notes to the basic financial statements.

COUNTY OF MONO

Statement of Fund Net Position

Proprietary Funds

June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental	
	Solid Waste	Airport	Nonmajor Enterprise Funds	Internal Service Funds	
ASSETS					
Current Assets:					
Cash and investments	\$ 3,122,036	\$ 119,630	\$ 111,333	\$ 3,352,999	\$ 1,834,860
Cash with fiscal agent	-	-	-	-	45,413
Accounts receivable	222,534	-	-	222,534	54
Due from other governments	171	-	-	171	-
Deposits with others	-	-	-	-	3,773,417
Inventory	-	2,112	-	2,112	-
Total Current Assets	<u>3,344,741</u>	<u>121,742</u>	<u>111,333</u>	<u>3,577,816</u>	<u>5,653,744</u>
Noncurrent Assets:					
Restricted cash in Treasury	3,433,881	-	-	3,433,881	-
Capital assets:					
Non-depreciable	52,800	275,623	-	328,423	-
Depreciable, net	843,453	5,147,165	-	5,990,618	1,824,889
Total Noncurrent Assets	<u>4,330,134</u>	<u>5,422,788</u>	<u>-</u>	<u>9,752,922</u>	<u>1,824,889</u>
Total Assets	<u>7,674,875</u>	<u>5,544,530</u>	<u>111,333</u>	<u>13,330,738</u>	<u>7,478,633</u>
DEFERRED OUTFLOWS					
Deferred amounts related to pensions	<u>223,588</u>	<u>-</u>	<u>-</u>	<u>223,588</u>	<u>30,559</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	134,950	1,081	2,502	138,533	35,034
Salaries and benefits payable	26,741	-	-	26,741	11,198
Interest payable	13,913	-	-	13,913	-
Advances from other funds	195,000	-	-	195,000	-
Refunded certificates of participation	245,200	-	-	245,200	-
Compensated absences	50,142	-	-	50,142	-
Claims liability	-	-	-	-	3,164,755
Total Current Liabilities	<u>665,946</u>	<u>1,081</u>	<u>2,502</u>	<u>669,529</u>	<u>3,210,987</u>
Noncurrent Liabilities:					
Advances from other funds	270,000	-	-	270,000	-
Refunded certificates of participation	1,700,700	-	-	1,700,700	-
Compensated absences	3,727	-	-	3,727	-
Closure and post closure liability	7,845,991	-	-	7,845,991	-
Net pension liability	957,935	-	-	957,935	130,927
Total Noncurrent Liabilities	<u>10,778,353</u>	<u>-</u>	<u>-</u>	<u>10,778,353</u>	<u>130,927</u>
Total Liabilities	<u>11,444,299</u>	<u>1,081</u>	<u>2,502</u>	<u>11,447,882</u>	<u>3,341,914</u>
DEFERRED INFLOWS					
Deferred amounts related to pensions	<u>43,954</u>	<u>-</u>	<u>-</u>	<u>43,954</u>	<u>6,007</u>
NET POSITION					
Net investment in capital assets	896,253	5,422,788	-	6,319,041	1,266,395
Restricted	-	-	4,648	4,648	-
Unrestricted	(4,486,043)	120,661	104,183	(4,261,199)	2,894,876
Total Net Position	<u>\$ (3,589,790)</u>	<u>\$ 5,543,449</u>	<u>\$ 108,831</u>	<u>\$ 2,062,490</u>	<u>\$ 4,161,271</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, 2018

	Business-Type Activities - Enterprise Funds			Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 3,063,176	\$ 6,754	\$ 47,795	\$ 4,464,672
Total Operation Revenues	<u>3,063,176</u>	<u>6,754</u>	<u>47,795</u>	<u>4,464,672</u>
OPERATING EXPENSES				
Salaries and benefits	774,217	-	-	197,059
Services and supplies	1,164,867	38,505	51,136	2,568,795
Closure and post closure costs	244,617	-	-	-
Depreciation and amortization	32,915	321,104	-	437,205
Total Operating Expenses	<u>2,216,616</u>	<u>359,609</u>	<u>51,136</u>	<u>3,203,059</u>
OPERATING INCOME (LOSS)	<u>846,560</u>	<u>(352,855)</u>	<u>(3,341)</u>	<u>1,261,613</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	91,672	3,124	1,532	20,558
Interest expense	(91,945)	-	-	-
Operating grants	20,000	20,000	-	-
Miscellaneous	15,831	-	-	82,282
Gain (loss) on sale of capital assets	-	-	-	51,409
Total Non-Operating Revenues (Expenses)	<u>35,558</u>	<u>23,124</u>	<u>1,532</u>	<u>154,249</u>
Income (Loss) Before Capital Contributions and Transfers	882,118	(329,731)	(1,809)	1,415,862
Capital contributions	-	28,411	-	-
Transfers in	-	-	20,000	554,914
Transfers out	-	(45,087)	-	-
CHANGE IN NET POSITION	<u>882,118</u>	<u>(346,407)</u>	<u>18,191</u>	<u>1,970,776</u>
Net Position, Beginning of Year	<u>(4,471,908)</u>	<u>5,889,856</u>	<u>90,640</u>	<u>2,190,495</u>
NET POSITION, END OF YEAR	<u>\$ (3,589,790)</u>	<u>\$ 5,543,449</u>	<u>\$ 108,831</u>	<u>\$ 4,161,271</u>

See accompanying notes to the basic financial statements.

COUNTY OF MONO

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 3,172,753	\$ 6,754	\$ 51,829	\$ 3,231,336	\$ -
Cash receipts from internal fund services provided	-	-	-	-	4,465,618
Cash paid to employees for services	(819,360)	-	-	(819,360)	(347,637)
Cash paid to suppliers for goods and services	(1,139,949)	(51,565)	(51,087)	(1,242,601)	(2,950,123)
Net Cash Provided (Used) by Operating Activities	1,213,444	(44,811)	742	1,169,375	1,167,858
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment on advances from other funds	(195,000)	-	-	(195,000)	-
Miscellaneous receipts	15,831	-	-	15,831	82,282
Operating grants	20,000	20,000	-	40,000	-
Net transfers from (to) other funds	-	(16,676)	20,000	3,324	554,914
Repayment of debt not attributable to capital purposes	(236,800)	-	-	(236,800)	-
Interest paid	(93,638)	-	-	(93,638)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(489,607)	3,324	20,000	(466,283)	637,196
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital grants	-	-	-	-	-
Payments related to the acquisition of capital assets	(82,000)	-	-	(82,000)	(995,755)
Proceeds from the sale of capital assets	-	-	-	-	51,464
Net Cash Provided (Used) by Capital and Related Financing Activities	(82,000)	-	-	(82,000)	(944,291)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	91,672	3,124	1,532	96,328	20,559
Net Cash Provided by Investing Activities	91,672	3,124	1,532	96,328	20,559
Net Increase (Decrease) in Cash and Cash Equivalents	733,509	(38,363)	22,274	717,420	881,322
Cash and Cash Equivalents, Beginning of Year	5,822,408	157,993	89,059	6,069,460	998,951
Cash and Cash Equivalents, End of Year	\$ 6,555,917	\$ 119,630	\$ 111,333	\$ 6,786,880	\$ 1,880,273
Reconciliation of Cash and Cash Equivalents to the Statement of Fund Net Position					
Cash and investments	\$ 3,122,036	\$ 119,630	\$ 111,333	\$ 3,352,999	\$ 1,834,860
Cash with fiscal agent	-	-	-	-	45,413
Restricted cash in Treasury	3,433,881	-	-	3,433,881	-
Total Cash and Cash Equivalents	\$ 6,555,917	\$ 119,630	\$ 111,333	\$ 6,786,880	\$ 1,880,273

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, 2017

	Business-Type Activities - Enterprise Funds			Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 846,560	\$ (352,855)	\$ (3,341)	\$ 490,364
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	32,915	321,104	-	354,019
Changes in assets and liabilities				
Receivables	109,577	-	4,034	113,611
Deposits with others	-	-	-	(574,380)
Deferred outflows	(4,446)	-	-	37,925
Accounts payable	24,918	(13,060)	49	(31,700)
Accrued salaries and benefits	14,077	-	-	14,077
Claims liability	-	-	-	224,752
Closure and postclosure liability	244,617	-	-	-
Liability for compensated absences	2,429	-	-	2,429
Net pension liability	(63,099)	-	-	(188,158)
Deferred inflows	5,896	-	-	(5,887)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,213,444</u>	<u>\$ (44,811)</u>	<u>\$ 742</u>	<u>\$ 1,169,375</u>
				<u>\$ 1,167,858</u>

See accompanying notes to the basic financial statements.

COUNTY OF MONO

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2018

	Investment Trust	Agency
	<u> </u>	<u> </u>
ASSETS		
Pooled Cash and investments	\$ 43,603,090	\$ 6,277,636
	<u>43,603,090</u>	<u>6,277,636</u>
Total Assets		
LIABILITIES		
Agency funds held for others	-	6,277,636
	<u>-</u>	<u>6,277,636</u>
Total Liabilities		
NET POSITION		
Net position held in trust for investment pool participants	43,603,090	-
	<u>43,603,090</u>	<u>-</u>
Total Net Position	<u>\$ 43,603,090</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, 2018

	<u>Investment Trust</u>
ADDITIONS	
Contributions	\$ 75,501,900
Investment income	<u>660,413</u>
Total Additions	<u>76,162,313</u>
DEDUCTIONS	
Distributions	<u>73,654,858</u>
Total Deductions	<u>73,654,858</u>
CHANGE IN NET POSITION	2,507,455
Net Position, Beginning of Year	<u>41,095,635</u>
NET POSITION, END OF THE YEAR	<u><u>\$ 43,603,090</u></u>

See accompanying notes to the basic financial statements.

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NOTES TO FINANCIAL STATEMENTS

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

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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. 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 30th 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 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.

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

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 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. Operations includes the permitting, monitoring and maintenance of the County's three active landfills, as well as three closed landfills, and implementation of recycling programs throughout the County in an effort to maintain and enhance diversion efforts.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

- 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, certain licensing of installed software applications, and other technology items, self-insurance programs, and the County's motor pool which purchases and maintains vehicles. Department user fees include a capital replacement charge, if applicable, to provide financing for replacing internally utilized assets at the end of their respective useful lives.
- 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 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.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

D. Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer except for cash and investments managed by fiscal agents under separate agreements. Interest earned on bank balances and investments is allocated to the various funds on a quarterly basis using each fund's average daily cash balances for those funds entitled to receive interest with all remaining interest deposited in the County's General Fund.

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 as investment earnings in the year in which the change occurred. The fair value of investments is determined annually.

The County Treasurer's Pool values participants' shares on an amortized cost basis meaning the Pool distributes income to participants based on their relative participation during the period. Actual daily activity is transacted on a dollar-for-dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would result in a withdrawal at fair value. During the fiscal year ended June 30, 2018, the County has not provided or obtained any legally binding guarantees to support the value of pool shares.

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.

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. Receivables are reported net of uncollectible amounts. Total uncollectible amounts are related to delinquent property taxes in the amount of \$52,723 and is recorded in the General Fund. 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

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

H. Notes Receivable

The notes receivable balances in the General Fund and the Housing Fund balance sheet consist of loans made with funds provided to the County under the U.S. Department of Housing and Urban Development programs, primarily the Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME). The loans are made to carry out activities for affordable housing and are reported at the outstanding principle balance.

Generally, notes are deferred with all principal and interest due on the earlier of the due date of the note or sale or transfer of the property. Any repayment of principal or interest applicable to the CDBG and HOME programs is treated as program revenue. A loan committee approves the loans and deferral of payments.

I. 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.

J. 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

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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

K. 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. The County has recorded deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB), which are discussed in more detail in footnotes 7 and 8, respectively.

L. 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.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

- *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.

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.

M. 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.

N. 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.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

O. 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.

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.

P. 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.

Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	January 1, 2016
Measurement Date:	June 30, 2017
Measurement Period:	July 1, 2016 to June 30, 2017

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

R. 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.

S. Implementation of Governmental Accounting Standards Board (GASB) Statements

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, 2018:

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. This statement is effective for periods beginning after June 15, 2017. The County implemented this statement as of July 1, 2017.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The County has determined that this statement is not applicable.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation of application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County implemented this statement as of July 1, 2017.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective or reporting periods beginning after June 15, 2017. The County has determined that this statement is not applicable.

S. 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. 83, *Certain Asset Retirement Obligations*, is effective for reporting periods beginning after June 15, 2018. (FY 2018/19) The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

GASB Statement No. 84, *Fiduciary Activities*, is effective for reporting periods beginning after December 15, 2018 (FY 2019/20). The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 87, *Leases*, is effective for reporting periods beginning after December 15, 2019 (FY 2020/21). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments.

GASB Statement No. 88 – *Certain Disclosures Related to debt, including Direct Borrowings and Direct Placements* is effective for periods beginning after June 15, 2018. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for periods beginning after December 15, 2019. The objectives of this statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs.

GASB Statement No. 90 – *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* is effective for reporting periods beginning after December 15, 2018. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

NOTE 2: CASH AND INVESTMENTS

Total County cash and investments at June 30, 2018 were as follows:

Imprest cash	\$	770
Cash on hand		437
Deposits in bank		5,594,532
Deposits held by fiscal agents external to the pool		45,413
		<u>5,641,152</u>
Investments:		
In Treasurer's pool		86,621,176
Total Cash and Investments	\$	<u><u>92,262,328</u></u>

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

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

Primary government	\$ 42,381,602
Investment trust fund	43,603,090
Agency funds	6,277,636
	<u>\$ 92,262,328</u>

Investments

The County's cash and investments are invested by the County Treasurer, in accordance with investment policy guidelines and California Government Code. The objectives of the policy, in order of priority, 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. 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	20%	None

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

At June 30, 2018, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Investments in Investment Pool					
Federal Agency Issues - Coupon	1.06%-2.7%	11/19/18-4/11/23	\$ 38,775,000	\$ 38,746,674	2.60
U.S. Treasuries	1.375%-1.625%	9/30/18 -6/30/19	4,500,000	4,487,288	0.65
Medium Term Corporate Bonds	1.55%-5.45%	7/13/18-4/28/23	8,500,000	8,653,220	2.61
Negotiable Certificates of Deposit	1.05%-3.0%	7/23/18-4/28/23	13,675,000	13,674,388	2.54
Municipal Bonds	1.25%-4.75%	8/1/18-4/1/22	6,955,000	7,070,284	1.35
Treasury Loans	1.25%-2.5%	10/3/18-8/1/22	294,484	294,484	3.11
LAIF	Variable	On-Demand	1,051,322	1,051,322	0.00
CAMP	Variable	On-Demand	12,643,516	12,643,516	0.00
Total investments in investment pool			<u>\$ 86,394,322</u>	<u>\$ 86,621,176</u>	1.98

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, 2018.

	Quality Rating Range	% of Portfolio
Federal Agency Issues - Coupon	Aaa to Aa1	44.49%
U.S. Treasuries	Aaa	5.27%
Medium Term Corporate Bonds	Aaa to A2	9.90%
Negotiable Certificates of Deposit	Unrated	15.77%
Municipal Bonds	Aa1 to A2	8.12%
Treasury Loans	Unrated	0.35%
LAIF	Unrated	14.86%
CAMP	Unrated	1.24%
Total		<u>100.00%</u>

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

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 Farm Credit Bank	Federal Agency Obligations	8.07%	\$ 6,993,946
Federal Home Loan Bank	Federal Agency Obligations	6.97%	6,041,213
Federal Home Loan Mortgage Corporation	Federal Agency Obligations	7.24%	6,274,330
Federal National Mortgage Association	Federal Agency Obligations	22.18%	19,212,208

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, 2018, 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 \$1,051,322. The total amount invested by all public agencies in LAIF at June 30, 2018, was \$88.8 billion, the majority of which is invested in non-derivative financial products. The average maturity of PMIA investments was 183 days as of June 30, 2018. 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 OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

California Asset Management Program

The County Treasurer's Pool maintains an investment in the California Asset Management Program (CAMP). On June 30, 2018, the County's investment to CAMP was \$12,643,517. The weighted average to maturity of CAMP investments was 35 days as of June 30, 2018. The Board of Trustees, which is made up of experienced local government directors and treasurers, has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County Treasurer's portion of the pool. CAMP's investment policy does not permit the purchase of asset-backed securities (Government Code 53601(n)), but does permit the purchase commercial paper 53601(h), which can include asset-backed commercial paper.

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, 2018:

Statement of Net Position

Net position held for pool participants	<u>\$ 92,216,915</u>
Equity of external pool participants	\$ 43,603,090
Equity of internal pool participants	<u>48,613,825</u>
Total net position	<u>\$ 92,216,915</u>

Statement of Changes in Net Position

Net position at July 1, 2017	\$ 84,939,059
Net change in investments by pool participants	<u>7,277,856</u>
Net position at June 30, 2018	<u>\$ 92,216,915</u>

Fair Value Measurements

The County 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 based on the valuation inputs used to measure the fair value of the asset, 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.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

The County's investments measured at fair value as of June 30, 2018 are as follows:

		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)
Investments in Investment Pool				
Federal Agency Issues - Coupon	\$ 38,746,674	\$ -	\$ 38,746,674	\$ -
U.S. Treasuries	4,487,288	-	4,487,288	-
Medium Term Corporate Bonds	8,653,220	-	8,653,220	-
Negotiable Certificates of Deposit	13,674,388	-	13,674,388	-
Municipal Bonds	7,070,284	-	7,070,284	-
Total investments measured at fair value	72,631,854	\$ -	\$ 72,631,854	\$ -
Investments measured at amortized cost:				
Treasury Loans	294,484			
LAIF	1,051,322			
CAMP	12,643,516			
Total investments in Investment Pool	\$ 86,621,176			

NOTE 3: **INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 131,326
Nonmajor Governmental Funds	Nonmajor Governmental Funds	149,909
		<u>\$ 281,235</u>

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

Advances to/from other funds:

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

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 99,013
	Solid Waste Fund	465,000
		<u>\$ 564,013</u>

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

In 2018, the County's General Fund advanced \$99,013 to complete funding of the County's Revolving Loan Fund at the maximum amount of \$300,000, as authorized by Resolution 15-81. The Revolving Loan Fund is established to purchase deed-restricted properties and thereby preserve affordable housing units. Of the maximum of \$300,000 established for the program, \$200,987 is funded from the County's Housing Mitigation Fund, and the remaining \$99,013 is advanced by the County's General Fund. The advance is to be repaid upon termination of the Revolving Loan Fund program.

The Solid Waste advances from the County's General Fund represent two interest-free loans provided. 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, 2018, was \$240,000.

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, 2018, was \$225,000.

Transfers:

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

Transfer from	Transfer to	Amount
General Fund	Road	\$ 650,000
	Nonmajor Governmental Funds	1,777,743
	Nonmajor Enterprise Funds	20,000
	Internal Service Funds	500,000
		<u>2,947,743</u>
Realignment Fund	General Fund	1,217,995
	Nonmajor Governmental Funds	1,201,796
	Internal Service Funds	54,914
		<u>2,474,705</u>
Nonmajor Governmental Funds	General Fund	340,684
	Nonmajor Governmental Funds	1,130,776
		<u>1,471,460</u>
Airports	Roads	45,087
	Total	<u>\$ 6,938,995</u>

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Transfers & Adjustments	Retirements	Balance June 30, 2018
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 6,793,617	\$ --	\$ --	\$ --	\$ 6,793,617
Construction in progress	1,452,021	812,671	(343,004)	(26,064)	1,895,624
Total capital assets, not being depreciated	<u>8,245,638</u>	<u>812,671</u>	<u>(343,004)</u>	<u>(26,064)</u>	<u>8,689,241</u>
Capital assets, being depreciated:					
Infrastructure	94,283,897	638,034	--	--	94,921,931
Structures and improvements	18,621,557	58,496	343,004	--	19,023,057
Equipment	18,026,793	1,161,561	--	(445,522)	18,742,832
Intangibles	1,148,577	--	--	--	1,148,577
Total capital assets, being depreciated	<u>132,080,824</u>	<u>1,858,091</u>	<u>343,004</u>	<u>(445,522)</u>	<u>133,836,397</u>
Less accumulated depreciation for:					
Infrastructure	(80,408,901)	(1,362,112)	--	--	(81,771,013)
Structures and improvements	(8,886,829)	(495,562)	--	--	(9,382,391)
Equipment	(14,858,977)	(729,886)	--	445,336	(15,143,527)
Intangibles	(1,135,210)	(1,975)	--	--	(1,137,185)
Total accumulated depreciation	<u>(105,289,917)</u>	<u>(2,589,535)</u>	<u>--</u>	<u>445,336</u>	<u>(107,434,116)</u>
Total capital assets, being depreciated, net	<u>26,790,907</u>	<u>(731,444)</u>	<u>343,004</u>	<u>(186)</u>	<u>26,402,281</u>
Governmental activities capital assets, net	<u>\$ 35,036,545</u>	<u>\$ 81,227</u>	<u>\$ --</u>	<u>\$ (26,250)</u>	<u>\$ 35,091,522</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 328,423	\$ --	\$ --	\$ --	\$ 328,423
Total capital assets, not being depreciated	<u>328,423</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>328,423</u>
Capital assets, being depreciated:					
Infrastructure	463,141	--	--	--	463,141
Structures and improvements	7,730,944	82,000	--	--	7,812,944
Equipment	1,532,463	--	--	--	1,532,463
Total capital assets, being depreciated	<u>9,726,548</u>	<u>82,000</u>	<u>--</u>	<u>--</u>	<u>9,808,548</u>
Less accumulated depreciation for:					
Infrastructure	--	(23,430)	--	--	(23,430)
Structures and improvements	(1,912,172)	(328,887)	--	--	(2,241,059)
Equipment	(1,551,739)	(1,702)	--	--	(1,553,441)
Total accumulated depreciation	<u>(3,463,911)</u>	<u>(354,019)</u>	<u>--</u>	<u>--</u>	<u>(3,817,930)</u>
Total capital assets, being depreciated, net	<u>6,262,637</u>	<u>(272,019)</u>	<u>--</u>	<u>--</u>	<u>5,990,618</u>
Business-type activities capital assets, net	<u>\$ 6,591,060</u>	<u>\$ (272,019)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,319,041</u>

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$	111,628
Public protection		141,405
Public ways and facilities		1,733,044
Health and sanitation		61,334
Public assistance		1,219
Recreation and culture		103,700
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset		<u>437,205</u>
Total Depreciation Expense - Governmental Functions	\$	<u><u>2,589,535</u></u>

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

Solid Waste	\$	32,915
Airport		<u>321,104</u>
Total Depreciation Expense - Business-Type Functions	\$	<u><u>354,019</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, 2018 was \$1,059,723. The lease with Sierra Center Mall ends October 31, 2019 and future minimum lease payments beyond this date have been removed from the below schedule as the lease is unlikely to be renewed as of that date.

Future minimum lease payments required under these operating leases at June 30, 2018, is as follows:

Year Ending June 30:	Governmental Activities
<u>2019</u>	<u>1,102,112</u>
2020	579,493
2021	299,182
2022	320,125
2023	342,534
	<u><u>\$ 2,643,446</u></u>

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

The following is a summary of long-term liabilities transactions for the year ended June 30, 2018:

	Balance July 1, 2017 (Restated)	Additions	Retirements	Balance June 30, 2018	Due Within One Year
Governmental Activities					
Pension obligation bonds	\$ 1,459,500	\$ -	\$ (762,900)	\$ 696,600	\$ 116,300
Notes payable	150,229	245,750	(124,953)	271,026	111,329
Compensated absences	3,042,040	1,737,383	(1,837,574)	2,941,849	1,772,760
Net pension liability	46,661,293	8,473,419	(4,248,107)	50,886,605	-
Net OPEB liability	19,440,386	2,424,073	(4,962,151)	16,902,308	-
Claims liability	2,940,003	847,846	(623,094)	3,164,755	3,164,755
Total Governmental Activities					
Long-term liabilities	<u>\$ 73,693,451</u>	<u>\$ 13,728,471</u>	<u>\$ (12,558,779)</u>	<u>\$ 74,863,143</u>	<u>\$ 5,165,144</u>
Business-type Activities					
Refunded certificates of participation	\$ 2,182,700	\$ -	\$ (236,800)	\$ 1,945,900	\$ 245,200
Net pension liability	1,021,034	30,728	(93,827)	957,935	-
Compensated absences	51,440	45,737	(43,308)	53,869	50,142
Landfill postclosure cost	7,601,374	244,617	-	7,845,991	-
Total Business-type Activities					
Long-term liabilities	<u>\$ 10,856,548</u>	<u>\$ 321,082</u>	<u>\$ (373,935)</u>	<u>\$ 10,803,695</u>	<u>\$ 295,342</u>

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, 2018, annual debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities			
	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 116,300	\$ 30,921	\$ 111,329	\$ 5,333
2020	127,200	25,412	44,220	3,718
2021	138,800	19,390	45,332	2,605
2022	151,100	12,823	46,472	1,465
2023	163,200	6,628	23,673	296
	<u>\$ 696,600</u>	<u>\$ 95,174</u>	<u>\$ 271,026</u>	<u>\$ 13,417</u>

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Year Ending June 30	Business-Type Activities	
	Certificates of Participation	
	Principal	Interest
2019	\$ 245,200	\$ 328,680
2020	253,400	326,360
2021	266,400	328,490
2022	279,100	329,760
2023	286,700	325,388
2024-2025	615,100	655,048
	<u>\$ 1,945,900</u>	<u>\$ 2,293,726</u>

Long-term debt at June 30, 2018, consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2018
<u>Governmental activities</u>						
2012 PERS Side Fund Refunding (to refund unfunded accrued liability for the County's retirement plan)	02/12	02/18 - 02/23	4.36%	\$116,300 - \$762,900	\$ 4,612,900	\$ 696,600
Notes Payable (to purchase Innoprise Accounting System)	2/15 - 3/18	6/30/2019	1.25%	\$10,903 - \$43,536	\$ 356,302	\$ 68,195
Notes Payable (to purchase elections equipment)	07/17	8/1/2022	2.50%	\$21,169 - \$23,673	\$ 224,000	\$ 202,831
<u>Business-type activities</u>						
2011 Refunding of COPS 2001A (to refund 2001 Series A Certificates of Participation; to finance closure of four County landfills)	03/11	05/11 - 05/25	4.29%	\$189,000 - \$316,100	3,609,000	1,945,900

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 \$7,845,991 reported as closure and postclosure liability in the Solid Waste Fund at June 30, 2018, 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, 2018

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, 2018	Landfill Closure and Postclosure Liability at June 30, 2018
Benton Crossing	\$ 4,688,439	\$ 2,232,899	\$ 6,921,338	2,253,100	792,135	1,460,965	64.84%	\$ 4,487,964
Pumice Valley	1,969,863	1,778,551	3,748,414	347,112	229,066	118,046	34.01%	1,274,767
Walker	1,595,919	1,202,002	2,797,921	340,716	275,299	65,417	19.20%	537,200
Benton*	--	777,020	777,020	--	--	--	100.00%	465,500
Bridgeport*	--	960,967	960,967	--	--	--	100.00%	606,000
Chalfant*	--	752,542	752,542	--	--	--	100.00%	474,560
Total	<u>\$ 8,254,221</u>	<u>\$ 7,703,980</u>	<u>\$ 15,958,201</u>	<u>2,940,928</u>	<u>1,296,500</u>	<u>1,644,428</u>	<u>55.92%</u>	<u>\$ 7,845,991</u>

* Landfills are closed and tracking of statistics is no longer required or useful. Total estimated costs for closed landfills is the unamortized cost.

The County will recognize the remaining estimated cost of closure and postclosure care of \$7,167,742 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 2018. 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, 2018, cash and investments of \$3,433,881 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: EMPLOYEES' RETIREMENT 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.

The County's Miscellaneous plan includes the local Court employees. In accordance with the Trial Court Fund Act, Court employees are no longer employees of the County, but of the State instead. The Public Employees Retirement Law (PERL) provides that in counties contracting with CalPERS Board, the trial court and County participate in CalPERS by a joint contract. California law requires the combining of assets and liabilities of a county and a trial court contracting with CalPERS for purposes of setting the employer contribution rates for both the county and the trial court. Additionally, the County and the trial court provide a single benefit package to eligible employees. Accordingly, the Court's proportion of the collective pension amounts have been excluded from the County's net pension liability and related deferred inflows and outflows of resources.

Benefits Provided

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

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 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, 2018, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	Tier 3
Hire Date	Prior to June 1, 2012	On or after June 1, 2012	On or after 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	10.445%	10.445%	10.445%
Status	Open	Open	Open

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

	Safety				
	Peace Officer Tier 1	Peace Officer Tier 2	Sheriff Tier 1	Sheriff Tier 2	Fire Tier 1
Hire Date	Prior to July 1, 2004	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%@50	3%@55	3%@50
Benefit vesting schedule	5 years of service	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	monthly for life
Retirement age	50	50	50	55	50
Monthly benefits, as % of eligible compensation	3.00%	2.50%	3.00%	3.00%	3.00%
Required employee contribution rates	9.00%	9.00%	9.00%	9.00%	9.00%
Required employer contribution rates	19.723%	19.723%	19.723%	16.842%	19.723%
Status	Open	Open	Open	Open	Open

	Fire	Peace Officer	Sherif	Fire
	Tier II	Pepra - Tier 3	Pepra - Tier 3	Pepra - Tier 3
Hire Date	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
Benefit formula	2%@50	2.7%@57	2.7%@57	2.7%@57
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	57	57	57
Monthly benefits, as % of eligible compensation	2.00%	2.70%	2.70%	2.70%
Required employee contribution rates	9.00%	11.50%	11.50%	11.50%
Required employer contribution rates	15.928%	11.990%	11.990%	11.990%
Status	Open	Open	Open	Open

Employees Covered

At June 30, 2018, 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	314
Inactive employees entitled to but not yet receiving benefits	213
Active employees	188
	<u>715</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, 2018

For the year ended June 30, 2018, contributions recognized as part of pension expense for the plan were as follows:

	Employer Contributions		
	Total	Miscellaneous	Safety
Governmental activities:			
Governmental funds	\$ 4,218,785	\$ 2,655,875	\$ 1,562,910
Motor Pool Internal Service fund	29,322	29,322	-
Total governmental activities	4,248,107	2,685,197	1,562,910
Business type activities			
Solid Waste fund	93,827	93,827	-
	<u>\$ 4,341,934</u>	<u>\$ 2,779,024</u>	<u>\$ 1,562,910</u>

Pension Liabilities

As of June 30, 2018, the County reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Total	Miscellaneous	Safety
Governmental Activities:			
Governmental funds	\$ 50,755,678	\$ 30,663,512	\$ 20,092,166
Motor Pool ISF	130,927	130,927	-
Total governmental activities	50,886,605	30,794,439	20,092,166
Business type activities			
Solid Waste fund	957,935	957,935	-
Total Mono County	51,844,540	<u>\$ 31,752,374</u>	<u>\$ 20,092,166</u>
Courts	1,994,500		
	<u>\$ 53,839,040</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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2018

Plan	Plan's Proportion to Total Pool @ June 30, 2016	Plan's Proportion to Total Pool @ June 30, 2017	Plan's Proportionate Share of Net Pension Liability
Safety	0.33674%	0.33626%	\$ 20,092,166

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
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% ⁽¹⁾	7.50% ⁽¹⁾
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, 2016 valuation were based on the results of the 2010 actuarial experience study for the period 1997 to 2011. 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 7.15% for each Plan. This rate is 0.50% lower than the previous year and reflects the CalPERS Board of Administration decision on December 21, 2016, to lower the discount rate. 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. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

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.

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 ⁽¹⁾	Real Return Years 11-60 ⁽²⁾
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100.0%		

⁽¹⁾ An expected inflation rate of 2.5% used for this period

⁽²⁾ 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, 2018

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)
Balance at June 30, 2017	\$ 97,796,416	\$ 67,554,831	\$ 30,241,585
Changes in the year:			
Service cost	2,205,881	-	2,205,881
Interest on total pension liability	7,115,841	-	7,115,841
Changes of assumptions	5,573,635	-	5,573,635
Differences between expected and actual experience	(2,310,234)	-	(2,310,234)
Contributions from the employer	-	2,775,636	(2,775,636)
Contributions from employees	-	886,827	(886,827)
Net Investment Income	-	7,484,204	(7,484,204)
Benefit payments, including refunds of employee contributions	(5,104,325)	(5,104,325)	-
Administrative expense	-	(99,651)	99,651
Proportional differences between County Courts shares	(88,346)	(61,027)	(27,319)
Net Changes	7,392,452	5,881,664	1,510,788
Balance at June 30, 2018	\$ 105,188,868	\$ 73,436,495	\$ 31,752,373

The County's share of the Miscellaneous Plan determined at June 30, 2018 is 94.0898 percent of the Plan's total pension liability and fiduciary net position. The remaining 5.9102 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	6.15%	6.15%	6.15%
Net Pension Liability	\$ 45,128,935	\$ 30,294,321	\$ 75,423,256
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 31,752,373	\$ 20,092,166	\$ 51,844,539
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 20,642,522	\$ 11,752,413	\$ 32,394,935

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018, the County recognized pension expense of \$6,737,517. Pension expense represents the change in the net pension liability during the measurement period, adjusted for the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2018, 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	\$ 4,890,690	\$ -
Changes in assumptions	6,339,494	236,935
Differences between actual and expected experiences	212,943	1,512,447
Adjustment due to differences in proportions	162,895	564,534
Net differences between projected and actual earnings on pension plan investments	1,683,903	-
Total	<u>\$ 13,289,925</u>	<u>\$ 2,313,916</u>

The deferred outflows of resources of \$4,890,690 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>	
2018	\$ 1,990,637
2019	3,480,682
2020	1,552,076
2021	(938,076)
	<u>\$ 6,085,319</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 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,

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

employees hired after this date are eligible to receive County contributions into an Internal Revenue Code Section 401(a) Plan established by the County.

At June 30, 2018, the following employees were covered by the benefit terms of the plan:

Retirees and beneficiaries receiving benefits	173
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	29
	<hr/>
	202

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). During the fiscal year ended June 30, 2018, the County contributed \$2,702,041 to the OPEB plan. Of this amount, the County paid \$1,702,041 to retirees during the year and \$1,000,000 to the OPEB trust.

Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2016.

Actuarial assumptions – The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	January 1, 2016
Measurement date	June 30, 2017
Actuarial assumptions:	
Discount rate	6.25%
Inflation	2.50%
Investment rate of return	6.25% ⁽¹⁾
Mortality	Based on the 2014 CalPERS experience study and reflect the anticipation of improvement in future mortality (rates include a projection to 2028 using Scale BB)
Pre-retirement turnover	Withdrawal based on employees terminating within one year for an employee with five years of service.
Healthcare cost trends	Based on the "Getzen" model published by the Society of Actuaries. For non-medicare - 5.25% for 2019 and 2020, decreasing to an ultimate rate of 4.5% in 2070 and later years. For medicare - 5.75% for 2019 and 2020, decreasing to an ultimate rate of 4.5% in 2085 and later years.

(1) Same as discount rate. Plan assets projected to be sufficient to pay all benefits from trust.

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Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Equities	60.00%	7.92%
Fixed income	35.00%	5.00%
Cash	5.00%	3.27%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2017	\$ 34,066,578	\$ 14,626,192	\$ 19,440,386
Changes in the year:			
Service cost	338,631	-	338,631
Interest on total OPEB liability	2,085,442	-	2,085,442
Benefit payments	(2,108,215)	(2,108,215)	-
Contributions from employer	-	3,108,215	(3,108,215)
Net investment income	-	1,853,936	(1,853,936)
Net changes	<u>315,858</u>	<u>2,853,936</u>	<u>(2,538,078)</u>
Balances at June 30, 2018	<u>\$ 34,382,436</u>	<u>\$ 17,480,128</u>	<u>\$ 16,902,308</u>

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the County if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for measurement period ended June 30, 2017:

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

	<u>1% Decrease (5.25%)</u>	<u>Discount Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
Net OPEB liability	\$ 21,027,946	\$ 16,902,308	\$ 13,465,131

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents what the County's net OPEB liability would be if it were calculated using a healthcare cost trend that is one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Net OPEB liability	\$ 12,926,738	\$ 16,902,308	\$ 21,678,266

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the County recognized OPEB expense of \$1,297,355. As of June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 2,702,041	\$ -
Net differences between projected and actual earnings on OPEB plan investments	-	727,219
	<u>\$ 2,702,041</u>	<u>\$ 727,219</u>

The \$2,702,041 reported as a deferred outflow of resources related to OPEB contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Years ending June 30,	
2019	\$ 181,805
2020	181,805
2021	181,805
2022	181,805
	<u>\$ 727,220</u>

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 9: NET POSITION/FUND BALANCES

Fund balances at June 30, 2018 were classified as follows:

	General Fund	Road Fund	Realignment Fund	Mental Health Services Act	Other Governmental Funds	Total
Nonspendable:						
Advances to other funds	\$ 564,013	\$ -	\$ -	\$ -	\$ -	\$ 564,013
Prepays and inventory	69,931	339,367	-	-	25,984	435,282
Loans Receivable	887,327	-	-	-	911,863	1,799,190
Total Nonspendable	<u>1,521,271</u>	<u>339,367</u>	<u>-</u>	<u>-</u>	<u>937,847</u>	<u>2,798,485</u>
Restricted for:						
Road projects	-	1,642,730	-	-	-	1,642,730
Health and social services	-	-	-	6,555,157	4,100,781	10,655,938
County service areas	-	-	-	-	1,914,676	1,914,676
Community development	-	-	-	-	528,728	528,728
Grant programs	-	-	7,330,030	-	1,237,646	8,567,676
Total Restricted	<u>-</u>	<u>1,642,730</u>	<u>7,330,030</u>	<u>6,555,157</u>	<u>7,781,831</u>	<u>23,309,748</u>
Committed:						
Revolving loan fund	-	-	-	-	200,987	200,987
Assigned:						
Eliminate projected FY 18/19 budgetary deficit	1,522,579	-	-	-	-	1,522,579
Capital projects	1,104,026	-	-	-	558,139	1,662,165
Debt service	-	-	-	-	193,569	193,569
Fish enhancement	47,399	-	-	-	-	47,399
Tourism	129,548	-	-	-	-	129,548
Total Assigned	<u>2,803,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>751,708</u>	<u>3,555,260</u>
Unassigned	8,783,159	-	-	-	(412,309)	8,370,850
Total Fund Balance	<u>\$ 13,107,982</u>	<u>\$ 1,982,097</u>	<u>\$ 7,330,030</u>	<u>\$ 6,555,157</u>	<u>\$ 9,260,064</u>	<u>\$ 38,235,330</u>

During this year's budget process, the County Board of Supervisors re-established a general reserve of \$2,218,959 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.

Net Position from governmental activities as of June 30, 2018 was restricted for the following purposes:

Road projects	\$ 1,642,730
Health and social services	10,904,340
County service areas	1,914,676
Community development	1,149,824
Grant programs	8,985,578
	<u>\$ 24,597,148</u>

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

Net position from business-type activities as of June 30, 2018 was restricted for future cemetery maintenance in the amount of \$4,648.

Deficit Fund Equity

The following funds had deficit fund balances/net position at June 30, 2018, as follows:

<u>Fund</u>	<u>Deficit</u>	<u>Management's Plan(s)</u>
Special Revenue Funds:		
Bioterrorism	\$ 120,325	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.
Disaster Assistance Fund	153,921	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.
Enterprise Funds:		
Solid Waste	3,589,790	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.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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. Also, during the fiscal year ended June 30, 2018, the county implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the County restated the net position as of June 30, 2017 to reflect the prior period costs related to the implementation of the net OPEB liability and to eliminate the OPEB asset accumulated as a result of prior reporting standards replaced by GASB Statement 75.

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

	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>
	<u>Governmental Activities</u>	<u>Other Governmental Funds</u>
Fund balance / net position, June 30, 2017, after reclassification	\$ 35,668,708	\$ 8,193,177
Corrections:		
Reclassify outstanding balance of long-term notes payable previously reported as accounts payable	96,473	246,702
Net OPEB asset	(5,394,695)	-
Net OPEB liability	(19,440,386)	-
Deferred outflows of resources (OPEB)	3,108,215	-
Total corrections	<u>(21,630,393)</u>	<u>246,702</u>
Fund balance / net position, July 1, 2017, after reclassification and as restated	\$ 14,038,315	\$ 8,439,879

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.

COUNTY OF MONO

Notes to the Basic Financial Statements For the Year Ended June 30, 2018

The County holds a deposit with Trindel Insurance from which claims are paid. At June 30, 2018, the balance of the deposit was \$3,773,417. 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, 2018 is \$3,164,755.

Changes in the County's claims liability amount for the fiscal years ending June 30, 2018 and, 2017 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>
2017	\$ 1,658,334	\$ 3,021,103	\$ (1,739,434)	\$ 2,940,003
2018	2,940,003	847,846	(623,094)	3,164,755

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tax Abatements

The County provides property tax abatements through the Williamson Act Lands Program. The Williamson Act Lands Program enrolls land in Williamson Act contracts whereby the land is restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. The minimum contract is ten years and automatically renews until a nonrenewal or cancellation process is initiated. Under the nonrenewal process, the annual tax assessment increases over a defined period of time until the assessment reflects the market value of the property. Under the cancellation process, a significant one-time cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property.

No other commitments were made by the County as part of the Williamson Act contracts. For the fiscal year ended June 30, 2018, the Williamson Act Lands Program tax abatements were approximately \$63,800.

COUNTY OF MONO

Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Litigation

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

NOTE 12: SUBSEQUENT EVENT

On December 20, 2018, the County issued \$19,940,000 of Certificates of Participation, Series 2018 A for the purpose of financing construction of a Mono County Civic Center located within the Town of Mammoth Lakes. The certificates were issued at a premium of \$2,266,117, for a total net proceeds of \$20,500,000, net of costs of issuance and capitalized interest to fund interest payments on the debt for 21 months during construction. Debt repayment terms include a 30-year repayment term beginning October 1, 2020 and ending October 1, 2048, with interest accruing at an average annual rate of 3.9956%, resulting in average annual debt service of \$1,275,800.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2018

Schedule of Changes in net Pension Liability and Related Ratios

Miscellaneous Plan – Agent Multiple-Employer Defined Benefit Pension Plan

Last 10 Fiscal Years*

	Miscellaneous Plan			
	Reporting Fiscal Year (Measurement Date)			
	June 30, 2018 (June 30, 2017)	June 30, 2017 (June 30, 2016)	June 30, 2016 (June 30, 2015)	June 30, 2015 (June 30, 2014)
Total Pension Liability				
Service cost	\$ 2,205,881	\$ 2,051,985	\$ 2,249,307	\$ 2,502,844
Interest on total pension liability	7,115,841	7,049,937	6,751,199	6,656,474
Changes of assumptions	5,573,635	-	(1,548,943)	-
Differences between expected and actual experience	(2,310,234)	(546,942)	(1,521,848)	-
Proportional differences between County and Court shares	(88,346)	(1,025,139)	(481,953)	-
Benefit payments, including refunds of employee contributions	(5,104,325)	(4,871,095)	(4,719,903)	(4,502,141)
Net change in total pension liability	7,392,452	2,658,746	727,859	4,657,177
Total pension liability, beginning	97,796,416	95,137,670	94,409,811	89,752,634
Total pension liability, ending	\$ 105,188,868	\$ 97,796,416	\$ 95,137,670	\$ 94,409,811
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,775,636	\$ 2,484,077	\$ 2,408,009	\$ 2,568,003
Contributions - employee	886,827	853,869	904,733	1,305,551
Net investment income	7,484,204	356,637	1,518,061	10,459,289
Benefit payments, including refunds of employee contributions	(5,104,325)	(4,871,095)	(4,719,903)	(4,502,141)
Proportional differences between County and Court shares	(61,027)	(1,118,338)	-	-
Administrative expense	(99,651)	(41,913)	(77,107)	-
Net change in plan fiduciary net position	5,881,664	(2,336,763)	33,793	9,830,702
Plan fiduciary net position, beginning	67,554,831	69,891,594	69,857,801	60,027,099
Plan fiduciary net position, ending	\$ 73,436,495	\$ 67,554,831	\$ 69,891,594	\$ 69,857,801
Net pension liability, ending	\$ 31,752,373	\$ 30,241,585	\$ 25,246,076	\$ 24,552,010
Plan fiduciary net percentage as a percentage of the total pension liability	69.81%	69.08%	73.46%	73.99%
Covered payroll	\$ 11,475,219	\$ 11,631,908	\$ 12,381,959	\$ 12,796,381
Net pension liability as a percentage of covered payroll	276.70%	259.99%	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, 2018

Schedule of Pension Plan Contributions

Miscellaneous Plan – Agent Multiple-Employer Defined Benefit Pension Plan

<i>Last 10 Fiscal Years*</i>	Miscellaneous Plans			
	Reporting Fiscal Year			
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 2,408,009	\$ 2,779,024	\$ 2,484,077	\$ 2,408,009
Contributions in relation to the actuarially determined contributions	2,408,009	2,779,024	2,484,077	2,408,009
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,475,219	\$ 11,647,209	\$ 11,631,908	\$ 12,381,959
Contributions as a percentage of covered payroll	20.98%	23.86%	21.36%	19.45%

**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 as of June 30 two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2014 Funding Valuation Report
Asset valuation method	Market value of assets. See the June 30, 2014 report for details.
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 2011.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2018

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, 2018 (June 30, 2017)	June 30, 2017 (June 30, 2016)	June 30, 2016 (June 30, 2015**)	June 30, 2015 (June 30, 2014**)
Last 10 years*				
Proportion of the net pension liability	0.33626%	0.33674%	0.32974%	0.18612%
Proportionate share of the net pension liability	\$ 20,092,166	\$ 17,440,742	\$ 13,586,740	\$ 11,581,122
Covered payroll	\$ 5,079,832	\$ 4,741,246	\$ 5,575,424	\$ 5,969,340
Proportionate share of the net pension liability as percentage of covered payroll	395.53%	367.85%	243.69%	194.01%
Plan fiduciary net position as a percentage of the total pension liability	70.76%	73.60%	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.

**As restated.

Schedule of Pension Plan Contributions

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

	Safety Plans			
	Reporting Fiscal Year			
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Last 10 fiscal years*				
Actuarially determined contribution	\$ 1,741,323	\$ 1,562,910	\$ 1,414,648	\$ 1,451,026
Contributions related to the actuarially determined contribution	1,741,323	1,562,910	1,414,648	1,451,026
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 5,079,832	\$ 4,741,246	\$ 5,575,424	\$ 5,969,340
Contributions as a percentage of covered payroll	34.28%	32.96%	25.37%	24.31%

*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, 2018

Other Post-Employment Benefits (OPEB)

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2018(1)</u>
Total OPEB liability	
Service cost	\$ 338,631
Interest	2,085,442
Benefit payments	<u>(2,108,215)</u>
Net change in total OPEB liability	315,858
Total OPEB liability - beginning	<u>34,066,578</u>
Total OPEB liability - ending (a)	<u><u>\$ 34,382,436</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 3,108,215
Net investment income	1,853,936
Benefit payments	<u>(2,108,215)</u>
Net change in plan fiduciary net position	2,853,936
Plan fiduciary net position - beginning	<u>14,626,192</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 17,480,128</u></u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ 16,902,308</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	50.84%
Covered payroll	\$ 3,115,400
Net OPEB liability as a percentage of covered-employee payroll	542.54%

(1) Fiscal year 2018 was the first year of implementation of GASB 75; therefore, only one year is shown.

(2) The OPEB plan is a closed plan with no new members eligible for participation. Therefore, covered payroll and the net OPEB liability as a percentage of covered-employee payroll were not applicable.

Schedule of the County's OPEB Contributions

	<u>2018(1)</u>
Actuarially determined contribution	\$ 2,064,918
Contributions in relation to the actuarially determined contribution	2,702,041
Contribution deficiency (excess)	(637,123)
Covered payroll	\$ 3,115,400
Contributions as a percentage of covered payroll	86.7%

(1) Fiscal year 2018 was the first year of implementation of GASB 75; therefore, only one year is shown.

COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2018

Notes to OBEP Schedules

Valuation date:	January 1, 2016
Methods and assumptions used to determine Contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	22 years
Asset valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	Non-Medicare – 5.25% for 2019 and 2020, decreasing to an ultimate rate of 4.50% in 2070 and later years. Medicare – 5.50% for 2019 and 2020, decreasing to an ultimate rate of 4.50% in 2085 and later years.
Investment rate of return	6.25% net of OPEB plan investment expense, including inflation.
Mortality	2014 CalPERS experience study

COUNTY OF MONO

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 23,153,000	\$ 23,153,000	\$ 24,949,712	\$ 1,796,712
Licenses and permits	321,500	321,500	340,140	18,640
Fines, forfeitures and penalties	697,375	697,375	1,069,705	372,330
Use of money and property	192,113	192,113	242,266	50,153
Intergovernmental	5,218,359	5,227,654	4,778,673	(448,981)
Charges for services	4,125,168	4,125,168	4,678,660	553,492
Other revenues	10,500	10,500	25,730	15,230
Other financing sources	224,000	224,000	224,000	-
Transfers in	2,310,018	2,400,472	1,558,679	(841,793)
Total Revenues	<u>36,252,033</u>	<u>36,351,782</u>	<u>37,867,565</u>	<u>1,515,783</u>
Expenditures				
General government				
Board of Supervisors	515,459	515,459	486,893	28,566
Administrative Officer	1,280,317	1,280,317	1,095,106	185,211
Department of Finance	2,406,158	2,406,158	2,187,697	218,461
General Fund Operating Transfers	3,434,468	3,616,890	3,537,097	79,793
Assessor	1,332,241	1,332,241	1,082,591	249,650
County Counsel	1,063,061	1,063,061	1,019,092	43,969
Election Division	275,643	275,643	170,454	105,189
Information Technology	1,871,516	2,051,516	1,692,103	359,413
IT - Radio	289,000	356,061	288,999	67,062
Public Works	1,065,276	1,065,276	882,740	182,536
County Facilities	2,709,853	2,709,853	2,489,514	220,339
Economic Development	555,623	555,623	491,402	64,221
Total general government	<u>16,798,615</u>	<u>17,228,098</u>	<u>15,423,688</u>	<u>1,804,410</u>
Public protection				
County MOE	765,331	765,331	765,072	259
Public Defender	718,500	768,500	711,631	56,869
Grand Jury	8,300	8,300	4,744	3,556
District Attorney - Prosecution	2,052,450	2,056,450	1,764,398	292,052
Victim/Witness	123,996	133,504	132,824	680
Sheriff	5,926,688	6,236,529	6,211,202	25,327
Boating Law Enforcement	135,650	135,650	139,581	(3,931)
Search and Rescue	45,275	45,275	47,709	(2,434)
Court Security	547,932	547,932	401,688	146,244
Jail	3,243,245	3,026,245	2,716,459	309,786
Emergency Services	256,000	255,574	175,552	80,022
Adult Probation Services	1,695,410	1,715,410	1,714,722	688
Juvenile Probation Services	334,007	334,007	159,788	174,219
Agricultural Commissioner	150,000	160,000	156,366	3,634
County Clerk / Recorder	722,489	722,489	750,655	(28,166)
Animal Control	674,657	674,657	626,700	47,957
Planning & Transportation	1,700,450	1,700,450	1,308,097	392,353

continued

COUNTY OF MONO

Budgetary Comparison Schedule (continued)

General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued)				
Public protection (continued)				
Housing Development	428,030	428,030	103,091	324,939
Code Enforcement	216,152	216,152	135,728	80,424
Planning Commission	16,295	16,295	15,203	1,092
LAFCO	11,582	11,582	8,914	2,668
Building Inspector	492,887	492,887	337,184	155,703
Total public protection	<u>20,265,326</u>	<u>20,451,249</u>	<u>18,387,308</u>	<u>2,063,941</u>
Health and sanitation				
Bridgeport Clinic	124,500	124,500	-	124,500
Paramedic Program	4,241,179	4,241,179	4,157,791	83,388
Total health and sanitation	<u>4,365,679</u>	<u>4,365,679</u>	<u>4,157,791</u>	<u>207,888</u>
Public assistance				
Veterans' Services Officer	38,568	38,568	39,922	(1,354)
Farm Advisor	25,000	25,000	25,566	(566)
Total public assistance	<u>63,568</u>	<u>63,568</u>	<u>65,488</u>	<u>(1,920)</u>
Contingency	420,000	10,552	-	10,552
Total expenditures	<u>41,913,188</u>	<u>42,119,146</u>	<u>38,034,275</u>	<u>4,084,871</u>
Net Change in Fund Balances	(5,661,155)	(5,767,364)	(166,710)	5,600,654
Budgetary Fund Balances - Beginning of Year	<u>10,289,112</u>	<u>10,289,112</u>	<u>10,289,112</u>	<u>-</u>
Budgetary Fund Balances - End of Year	<u>\$ 4,627,957</u>	<u>\$ 4,521,748</u>	<u>\$ 10,122,402</u>	<u>\$ 5,600,654</u>
<u>Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures</u>				
Sources/inflows of resources				
Actual amounts available for appropriation from the budgetary comparison schedule				\$ 37,867,565
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				387,608
Federal property in lieu of tax is an inflow of budgetary resources in the year following receipt but for financial reporting purposes is reported in the year received				(1,262,865)
A87 cost reimbursement is a budgetary resource but is not current-year revenue for financial reporting purposes				(1,311,141)
Proceeds from issuance of long-term debt are inflows of budgetary resources but are not revenues for financial reporting purposes				(224,000)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes				(1,558,679)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds				<u>\$ 33,898,488</u>

continued

COUNTY OF MONO

Budgetary Comparison Schedule (continued)

General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures (Continued)</u>				
Uses/outflows of resources:				
Actual charges to appropriations from the budgetary comparison schedule above				\$ 38,034,275
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				601,987
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				(1,311,141)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes				(4,213,719)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental fund				<u>\$ 33,111,402</u>

COUNTY OF MONO

Budgetary Comparison Schedule

Road Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 14,266	\$ 4,266
Fines, forfeitures and penalties	50,000	50,000	68,870	18,870
Use of money and property	-	-	11,181	11,181
Intergovernmental	3,266,130	3,340,468	3,092,334	(248,134)
Charges for services	435,000	435,000	474,465	39,465
Other revenues	-	-	167	167
Other financing sources	2,000	2,000	-	(2,000)
Transfers in	720,780	756,415	1,019,418	263,003
Total Revenues	<u>4,483,910</u>	<u>4,593,883</u>	<u>4,680,701</u>	<u>86,818</u>
Expenditures				
Public ways and facilities	<u>5,834,319</u>	<u>5,589,385</u>	<u>4,101,159</u>	<u>1,488,226</u>
Total Expenditures	<u>5,834,319</u>	<u>5,589,385</u>	<u>4,101,159</u>	<u>1,488,226</u>
Net Change in Fund Balances	(1,350,409)	(995,502)	579,542	1,575,044
Fund Balances - Beginning of Year	<u>1,402,555</u>	<u>1,402,555</u>	<u>1,402,555</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 52,146</u>	<u>\$ 407,053</u>	<u>\$ 1,982,097</u>	<u>\$ 1,575,044</u>
<u>Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures</u>				
Sources/inflows of resources				
Actual amounts available for appropriation from the budgetary comparison schedule				\$ 4,680,701
Differences - budget to GAAP:				
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes				<u>(1,019,418)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds				<u>\$ 3,661,283</u>

COUNTY OF MONO

Budgetary Comparison Schedule

Realignment

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 96,833	\$ 96,833
Intergovernmental	3,054,969	3,054,969	3,536,647	481,678
Total Revenues	<u>3,054,969</u>	<u>3,054,969</u>	<u>3,633,480</u>	<u>578,511</u>
Expenditures				
Public protection	30,750	30,750	7,722	23,028
Transfers out	3,366,277	3,410,927	2,474,705	936,222
Total Expenditures	<u>3,397,027</u>	<u>3,441,677</u>	<u>2,482,427</u>	<u>959,250</u>
Net Change in Fund Balances	(342,058)	(386,708)	1,151,053	1,537,761
Fund Balances - Beginning of Year	<u>6,178,977</u>	<u>6,178,977</u>	<u>6,178,977</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 5,836,919</u>	<u>\$ 5,792,269</u>	<u>\$ 7,330,030</u>	<u>\$ 1,537,761</u>
<u>Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures</u>				
Uses/outflows of resources:				
Actual charges to appropriations from the budgetary comparison schedule above				\$ 2,482,427
Differences - budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes				<u>(2,474,705)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental fund				<u>\$ 7,722</u>

COUNTY OF MONO

Budgetary Comparison Schedule
Mental Health Services Act
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 35,000	\$ 35,000	\$ 88,013	\$ 53,013
Intergovernmental	1,603,255	1,603,255	1,819,686	216,431
Total Revenues	<u>1,638,255</u>	<u>1,638,255</u>	<u>1,907,699</u>	<u>269,444</u>
Expenditures				
Health and sanitation	1,576,647	1,576,647	1,093,263	483,384
Contingency	120,000	120,000	-	120,000
Total Expenditures	<u>1,696,647</u>	<u>1,696,647</u>	<u>1,093,263</u>	<u>603,384</u>
Net Change in Fund Balances	(58,392)	(58,392)	814,436	872,828
Fund Balances - Beginning of Year	<u>5,740,721</u>	<u>5,740,721</u>	<u>5,740,721</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 5,682,329</u>	<u>\$ 5,682,329</u>	<u>\$ 6,555,157</u>	<u>\$ 872,828</u>

COUNTY OF MONO

Required Supplementary Information
For the Year Ended June 30, 2018

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 2nd. 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, capital project funds 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. Federal payment in lieu of taxes (PILT) revenue is reported in the year received for GAAP financial statement presentation purposes but reported in the following year for budgetary purposes.

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, 2018

	Special Revenue				
	Public Health	Behavioral Health	Social Services	Community Development Grants	Revolving Loan Fund
ASSETS					
Cash and investments	\$ 442,517	\$ 1,013,081	\$ 2,214,561	\$ -	\$ 300,000
Accounts receivable	15,531	-	14,847	-	-
Due from other governments	338,352	-	184,027	110,962	-
Due from other funds	149,909	-	-	-	-
Prepaid expenses	6,468	-	18,831	-	-
Loans receivable	-	-	-	911,863	-
Total Assets	\$ 952,777	\$ 1,013,081	\$ 2,432,266	\$ 1,022,825	\$ 300,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 40,946	\$ 30,856	\$ 76,764	\$ 7,298	\$ -
Accrued salaries and benefits	58,723	28,921	92,843	-	-
Due to other funds	-	-	-	130,765	-
Advances from other funds	-	-	-	-	99,013
Unearned revenues	43,573	-	-	-	-
Total Liabilities	143,242	59,777	169,607	138,063	99,013
Deferred inflows of Resources					
Unavailable revenues	197,703	-	50,699	110,962	-
Fund Balance					
Nonspendable	6,468	-	18,831	911,863	-
Restricted	605,364	953,304	2,193,129	-	-
Committed	-	-	-	-	200,987
Assigned	-	-	-	-	-
Unassigned	-	-	-	(138,063)	-
Total Fund Balances	611,832	953,304	2,211,960	773,800	200,987
Total Liabilities, Deferred Inflows and Fund Balances	\$ 952,777	\$ 1,013,081	\$ 2,432,266	\$ 1,022,825	\$ 300,000

continued

COUNTY OF MONO

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2018

	Special Revenue				
	Disaster Assistance Fund	Geothermal	Bio Terrorism	Fish and Game	Tobacco
	ASSETS				
Cash and investments	\$ 286,759	\$ 188,080	\$ -	\$ 33,583	\$ 62,497
Accounts receivable	-	103,645	-	-	-
Due from other governments	510,134	148	114,683	-	-
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	685
Loans receivable	-	-	-	-	-
	<u>\$ 796,893</u>	<u>\$ 291,873</u>	<u>\$ 114,683</u>	<u>\$ 33,583</u>	<u>\$ 63,182</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 440,680	\$ 103,645	\$ 5,858	\$ 3,997	\$ 8,021
Accrued salaries and benefits	-	-	7,305	-	7,198
Due to other funds	-	-	150,470	-	-
Advances from other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>440,680</u>	<u>103,645</u>	<u>163,633</u>	<u>3,997</u>	<u>15,219</u>
Deferred inflows of Resources					
Unavailable revenues	<u>510,134</u>	<u>-</u>	<u>71,375</u>	<u>-</u>	<u>-</u>
Fund Balance					
Nonspendable	-	-	-	-	685
Restricted	-	188,228	-	29,586	47,278
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(153,921)	-	(120,325)	-	-
Total Fund Balances	<u>(153,921)</u>	<u>188,228</u>	<u>(120,325)</u>	<u>29,586</u>	<u>47,963</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 796,893</u>	<u>\$ 291,873</u>	<u>\$ 114,683</u>	<u>\$ 33,583</u>	<u>\$ 63,182</u>

continued

COUNTY OF MONO

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue				
	Emergency Medical Services	Mitigation Fee	County Service Areas	Development Impact	Various Restricted Grants
ASSETS					
Cash and investments	\$ 301,706	\$ 123,317	\$ 1,910,252	\$ 217,183	\$ 838,051
Accounts receivable	-	-	-	-	9,692
Due from other governments	-	-	8,045	-	193,693
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total Assets	\$ 301,706	\$ 123,317	\$ 1,918,297	\$ 217,183	\$ 1,041,436
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 2,470	\$ -	\$ 15,143
Accrued salaries and benefits	-	-	1,151	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	-	-	3,621	-	15,143
Deferred inflows of Resources					
Unavailable revenues	-	-	-	-	183,621
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	301,706	123,317	1,914,676	217,183	842,672
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	301,706	123,317	1,914,676	217,183	842,672
Total Liabilities, Deferred Inflows and Fund Balances	\$ 301,706	\$ 123,317	\$ 1,918,297	\$ 217,183	\$ 1,041,436

continued

COUNTY OF MONO

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2018

	Total Special Revenue	Capital Projects			Total Capital Projects
		Miscellaneous Capital Improvements	Criminal Justice Facility	Civic Center Project	
ASSETS					
Cash and investments	\$ 7,931,587	\$ 622,953	\$ 365,699	\$ 83,500	\$ 1,072,152
Accounts receivable	143,715	-	-	-	-
Due from other governments	1,460,044	-	-	-	-
Due from other funds	149,909	-	-	-	-
Prepaid expenses	25,984	-	-	-	-
Loans receivable	911,863	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 10,623,102</u>	<u>\$ 622,953</u>	<u>\$ 365,699</u>	<u>\$ 83,500</u>	<u>\$ 1,072,152</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 735,678	\$ 127,689	\$ 311	\$ 20,625	\$ 148,625
Accrued salaries and benefits	196,141	-	-	-	-
Due to other funds	281,235	-	-	-	-
Advances from other funds	99,013	-	-	-	-
Unearned revenues	43,573	-	-	-	-
Total Liabilities	<u>1,355,640</u>	<u>127,689</u>	<u>311</u>	<u>20,625</u>	<u>148,625</u>
Deferred inflows of Resources					
Unavailable revenues	<u>1,124,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance					
Nonspendable	937,847	-	-	-	-
Restricted	7,416,443	-	365,388	-	365,388
Committed	200,987	-	-	-	-
Assigned	-	495,264	-	62,875	558,139
Unassigned	(412,309)	-	-	-	-
Total Fund Balances	<u>8,142,968</u>	<u>495,264</u>	<u>365,388</u>	<u>62,875</u>	<u>923,527</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 10,623,102</u>	<u>\$ 622,953</u>	<u>\$ 365,699</u>	<u>\$ 83,500</u>	<u>\$ 1,072,152</u>

continued

COUNTY OF MONO

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2018

	<u>Debt Service</u>	
	<u>Debt Service</u>	
	<u>Fund</u>	<u>Total</u>
ASSETS		
Cash and investments	\$ 193,569	\$ 9,197,308
Accounts receivable	-	143,715
Due from other governments	-	1,460,044
Due from other funds	-	149,909
Prepaid expenses	-	25,984
Loans receivable	-	911,863
	<hr/>	<hr/>
Total Assets	<u>\$ 193,569</u>	<u>\$ 11,888,823</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ 884,303
Accrued salaries and benefits	-	196,141
Due to other funds	-	281,235
Advances from other funds	-	99,013
Unearned revenues	-	43,573
Total Liabilities	<hr/>	<hr/>
	-	1,504,265
 Deferred inflows of Resources		
Unavailable revenues	<hr/>	<hr/>
	-	1,124,494
 Fund Balance		
Nonspendable	-	937,847
Restricted	-	7,781,831
Committed	-	200,987
Assigned	193,569	751,708
Unassigned	-	(412,309)
Total Fund Balances	<hr/>	<hr/>
	193,569	9,260,064
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 193,569</u>	<u>\$ 11,888,823</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue				
	Public Health	Behavioral Health	Social Services	Community Development Grants	Revolving Loan Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	286,793	-	-	-	-
Fines, forfeitures and penalties	778	6,899	-	-	-
Use of money and property	4,914	6,706	25,914	(1,075)	-
Intergovernmental	2,020,719	1,791,084	3,747,658	437,076	-
Charges for services	272,681	103,536	126,808	-	200,987
Miscellaneous	1,236	-	3,827	-	-
Total Revenues	<u>2,587,121</u>	<u>1,908,225</u>	<u>3,904,207</u>	<u>436,001</u>	<u>200,987</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public protection	-	-	-	22,118	-
Public ways and facilities	-	-	-	-	-
Health and sanitation	2,223,617	1,616,164	-	-	-
Public assistance	-	-	4,668,891	235,743	-
Debt service					
Principal	-	-	-	-	-
Interest and issuance cost	-	-	-	-	-
Capital outlay					
-	-	-	-	-	-
Total Expenditures	<u>2,223,617</u>	<u>1,616,164</u>	<u>4,668,891</u>	<u>257,861</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>363,504</u>	<u>292,061</u>	<u>(764,684)</u>	<u>178,140</u>	<u>200,987</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	22,932	92,069	1,330,670	-	-
Transfers out	-	(5,211)	(17,721)	(221,785)	-
Total Other Financing Sources (Uses)	<u>22,932</u>	<u>86,858</u>	<u>1,312,949</u>	<u>(221,785)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	386,436	378,919	548,265	(43,645)	200,987
Fund Balances, Beginning of Year, restated	225,396	574,385	1,663,695	817,445	-
FUND BALANCES, END OF THE YEAR	<u>\$ 611,832</u>	<u>\$ 953,304</u>	<u>\$ 2,211,960</u>	<u>\$ 773,800</u>	<u>\$ 200,987</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, 2018

	Special Revenue				
	Disaster Assistance Fund	Geothermal	Bio Terrorism	Fish and Game	Tobacco
	Fund	Geothermal	Terrorism	Game	Tobacco
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	23,825	-
Use of money and property	8,470	4,159	(1,477)	287	56
Intergovernmental	445,150	-	409,132	-	362,043
Charges for services	-	-	-	-	-
Miscellaneous	-	437,426	-	-	-
Total Revenues	<u>453,620</u>	<u>441,585</u>	<u>407,655</u>	<u>24,112</u>	<u>362,099</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public protection	-	396,005	89,752	3,997	-
Public ways and facilities	679,084	-	-	-	-
Health and sanitation	-	-	315,581	-	326,019
Public assistance	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and issuance cost	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>679,084</u>	<u>396,005</u>	<u>405,333</u>	<u>3,997</u>	<u>326,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(225,464)</u>	<u>45,580</u>	<u>2,322</u>	<u>20,115</u>	<u>36,080</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(288,696)	(120,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(288,696)</u>	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(514,160)	(74,420)	2,322	20,115	36,080
Fund Balances, Beginning of Year, restated	360,239	262,648	(122,647)	9,471	11,883
FUND BALANCES, END OF THE YEAR	<u>\$ (153,921)</u>	<u>\$ 188,228</u>	<u>\$ (120,325)</u>	<u>\$ 29,586</u>	<u>\$ 47,963</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, 2018

	Special Revenue				
	Emergency Medical Services	Mitigation Fee	County Service Area	Development Impact	Various Restricted Grants
REVENUES					
Taxes	\$ -	\$ -	\$ 228,847	\$ -	\$ -
Licenses and permits	-	-	-	-	16,801
Fines, forfeitures and penalties	103,745	-	-	-	2,000
Use of money and property	3,157	1,760	30,107	3,101	11,547
Intergovernmental	-	-	-	-	1,033,579
Charges for services	-	-	148,165	-	6,684
Miscellaneous	-	-	17,696	-	81,077
Total Revenues	<u>106,902</u>	<u>1,760</u>	<u>424,815</u>	<u>3,101</u>	<u>1,151,688</u>
EXPENDITURES					
Current					
General government	-	-	189,714	-	-
Public protection	-	-	-	-	1,159,032
Public ways and facilities	-	-	-	-	-
Health and sanitation	626	-	-	-	-
Public assistance	-	-	-	-	71,703
Debt service					
Principal	-	-	-	-	-
Interest and issuance cost	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>626</u>	<u>-</u>	<u>189,714</u>	<u>-</u>	<u>1,230,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>106,276</u>	<u>1,760</u>	<u>235,101</u>	<u>3,101</u>	<u>(79,047)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	13,775
Transfers in	-	-	-	-	84,223
Transfers out	-	-	(539,635)	-	(126,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(539,635)</u>	<u>-</u>	<u>(28,664)</u>
NET CHANGE IN FUND BALANCES	106,276	1,760	(304,534)	3,101	(107,711)
Fund Balances, Beginning of Year, restated	195,430	121,557	2,219,210	214,082	950,383
FUND BALANCES, END OF THE YEAR	<u>\$ 301,706</u>	<u>\$ 123,317</u>	<u>\$ 1,914,676</u>	<u>\$ 217,183</u>	<u>\$ 842,672</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, 2018

	Total Special Revenue	Capital Projects			Total Capital Projects
		Miscellaneous Capital Improvements	Criminal Justice Facility	Civic Center Project	
REVENUES					
Taxes	\$ 228,847	\$ -	\$ -	\$ -	\$ -
Licenses and permits	303,594	-	-	-	-
Fines, forfeitures and penalties	137,247	-	-	-	-
Use of money and property	97,626	-	-	-	-
Intergovernmental	10,246,441	-	-	-	-
Charges for services	858,861	-	-	-	-
Miscellaneous	541,262	550	-	-	550
Total Revenues	12,413,878	550	-	-	550
EXPENDITURES					
Current					
General government	189,714	-	-	-	-
Public protection	1,670,904	-	-	-	-
Public ways and facilities	679,084	-	-	-	-
Health and sanitation	4,482,007	-	-	-	-
Public assistance	4,976,337	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and issuance cost	-	-	-	-	-
Capital outlay	-	918,110	19,557	87,125	1,024,792
Total Expenditures	11,998,046	918,110	19,557	87,125	1,024,792
Excess (Deficiency) of Revenues Over (Under) Expenditures	415,832	(917,560)	(19,557)	(87,125)	(1,024,242)
OTHER FINANCING SOURCES (USES)					
Proceeds of long-term debt	-	-	-	-	-
Proceeds from sale of capital assets	13,775	-	-	-	-
Transfers in	1,529,894	857,342	300,000	150,000	1,307,342
Transfers out	(1,319,710)	(130,000)	-	-	(130,000)
Total Other Financing Sources (Uses)	223,959	727,342	300,000	150,000	1,177,342
NET CHANGE IN FUND BALANCES	639,791	(190,218)	280,443	62,875	153,100
Fund Balances, Beginning of Year, restated	7,503,177	685,482	84,945	-	770,427
FUND BALANCES, END OF THE YEAR	\$ 8,142,968	\$ 495,264	\$ 365,388	\$ 62,875	\$ 923,527

continued

COUNTY OF MONO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Debt Services	
	Debt Service Fund	Total
REVENUES		
Taxes	\$ -	\$ 228,847
Licenses and permits	-	303,594
Fines, forfeitures and penalties	-	137,247
Use of money and property	-	97,626
Intergovernmental	-	10,246,441
Charges for services	-	858,861
Miscellaneous	-	541,812
Total Revenues	-	12,414,428
EXPENDITURES		
Current		
General government	-	189,714
Public protection	-	1,670,904
Public ways and facilities	-	679,084
Health and sanitation	-	4,482,007
Public assistance	-	4,976,337
Debt service		
Principal	866,684	866,684
Interest and issuance cost	54,770	54,770
Capital outlay	-	1,024,792
Total Expenditures	921,454	13,944,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	(921,454)	(1,529,864)
OTHER FINANCING SOURCES (USES)		
Proceeds of long-term debt	21,750	21,750
Proceeds of long-term debt	-	13,775
Transfers in	948,748	3,785,984
Transfers out	(21,750)	(1,471,460)
Total Other Financing Sources (Uses)	948,748	2,350,049
NET CHANGE IN FUND BALANCES	27,294	820,185
Fund Balances, Beginning of Year, restated	166,275	8,439,879
FUND BALANCES, END OF THE YEAR	\$ 193,569	\$ 9,260,064

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, 2018

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
ASSETS			
Current Assets			
Pooled cash and investments	\$ 79,081	\$ 32,252	\$ 111,333
Accounts receivable	-	-	-
	<u>79,081</u>	<u>32,252</u>	<u>111,333</u>
Total Assets	<u>79,081</u>	<u>32,252</u>	<u>111,333</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>2,492</u>	<u>10</u>	<u>2,502</u>
Total Liabilities	<u>2,492</u>	<u>10</u>	<u>2,502</u>
NET POSITION			
Restricted	-	4,648	4,648
Unrestricted	<u>76,589</u>	<u>27,594</u>	<u>104,183</u>
Total Net Position	<u>\$ 76,589</u>	<u>\$ 32,242</u>	<u>\$ 108,831</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the Year Ended June 30, 2018

	<u>Campgrounds</u>	<u>Cemeteries</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 42,339	\$ 5,456	\$ 47,795
Total Operating Revenues	<u>42,339</u>	<u>5,456</u>	<u>47,795</u>
OPERATING EXPENSES			
Services and supplies	<u>35,237</u>	<u>15,899</u>	<u>51,136</u>
Total Operating Expenses	<u>35,237</u>	<u>15,899</u>	<u>51,136</u>
Operating Income (loss)	<u>7,102</u>	<u>(10,443)</u>	<u>(3,341)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income (expenses)	<u>1,103</u>	<u>429</u>	<u>1,532</u>
Total Non-Operating Revenues	<u>1,103</u>	<u>429</u>	<u>1,532</u>
Income (Loss) Before Transfers	8,205	(10,014)	(1,809)
Transfers In	<u>-</u>	<u>20,000</u>	<u>20,000</u>
CHANGE IN NET POSITION	8,205	9,986	18,191
Net Position, Beginning of Year	<u>68,384</u>	<u>22,256</u>	<u>90,640</u>
NET POSITION, END OF YEAR	<u>\$ 76,589</u>	<u>\$ 32,242</u>	<u>\$ 108,831</u>

COUNTY OF MONO

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2018

	Campgrounds	Cemeteries	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 45,167	\$ 6,662	\$ 51,829
Cash paid to suppliers for goods and services	(35,198)	(15,889)	(51,087)
Net Cash Provided (Used) by Operating Activities	<u>9,969</u>	<u>(9,227)</u>	<u>742</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers received from other funds	-	20,000	20,000
Net Cash Provided by Noncapital Financing	<u>-</u>	<u>20,000</u>	<u>20,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	1,103	429	1,532
Net Cash Used in Capital and Related Financing Activities	<u>1,103</u>	<u>429</u>	<u>1,532</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,072	11,202	22,274
Cash and Cash Equivalents, Beginning of Year	<u>68,009</u>	<u>21,050</u>	<u>89,059</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 79,081</u></u>	<u><u>\$ 32,252</u></u>	<u><u>\$ 111,333</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 7,102	\$ (10,443)	\$ (3,341)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
Receivables	2,828	1,206	4,034
Payables	39	10	49
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 9,969</u></u>	<u><u>\$ (9,227)</u></u>	<u><u>\$ 742</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, 2018

	<u>Copier Pool</u>	<u>Motor Pool</u>	<u>Insurance Pool</u>	<u>Tech Refresh Pool</u>	<u>Total</u>
ASSETS					
Current Assets					
Pooled cash and investments	\$ 51,695	\$ 1,493,621	\$ 212,108	\$ 77,436	\$ 1,834,860
Cash with fiscal agent	-	-	45,413	-	45,413
Deposits with others	-	-	3,773,417	-	3,773,417
Accounts receivable	-	54	-	-	54
Total Current Assets	<u>51,695</u>	<u>1,493,675</u>	<u>4,030,938</u>	<u>77,436</u>	<u>5,653,744</u>
Noncurrent Assets					
Capital assets:					
Depreciable, net	<u>96,923</u>	<u>1,727,966</u>	<u>-</u>	<u>-</u>	<u>1,824,889</u>
Total Assets	<u>148,618</u>	<u>3,221,641</u>	<u>4,030,938</u>	<u>77,436</u>	<u>7,478,633</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	<u>-</u>	<u>30,559</u>	<u>-</u>	<u>-</u>	<u>30,559</u>
LIABILITIES					
Current Liabilities					
Accounts payable	13,274	10,365	4,853	6,542	35,034
Salaries and benefits payable	-	8,327	2,871	-	11,198
Claims Liability	<u>-</u>	<u>-</u>	<u>3,164,755</u>	<u>-</u>	<u>3,164,755</u>
Total Current Liabilities	<u>13,274</u>	<u>18,692</u>	<u>3,172,479</u>	<u>6,542</u>	<u>3,210,987</u>
Long-term Liabilities					
Net pension liability	<u>-</u>	<u>130,927</u>	<u>-</u>	<u>-</u>	<u>130,927</u>
Total Liabilities	<u>13,274</u>	<u>149,619</u>	<u>3,172,479</u>	<u>6,542</u>	<u>3,341,914</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	<u>-</u>	<u>6,007</u>	<u>-</u>	<u>-</u>	<u>6,007</u>
NET POSITION					
Net investment in capital assets	96,923	1,727,966	-	-	1,824,889
Unrestricted	<u>38,421</u>	<u>1,368,608</u>	<u>858,459</u>	<u>70,894</u>	<u>2,336,382</u>
Total Net Position	<u>\$ 135,344</u>	<u>\$ 3,096,574</u>	<u>\$ 858,459</u>	<u>\$ 70,894</u>	<u>\$ 4,161,271</u>

COUNTY OF MONO

Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2018

	Copier Pool	Motor Pool	Insurance Pool	Tech Refresh Pool	Total
OPERATING REVENUES					
Charges for services	95,170	1,508,040	2,693,065	168,397	4,464,672
Total Operating Revenues	95,170	1,508,040	2,693,065	168,397	4,464,672
OPERATING EXPENSES					
Salaries and benefits	-	66,379	130,680	-	197,059
Services and supplies	64,244	242,902	2,098,503	163,146	2,568,795
Depreciation	26,903	410,302	-	-	437,205
Total Operating Expenses	91,147	719,583	2,229,183	163,146	3,203,059
Operating Income (Loss)	4,023	788,457	463,882	5,251	1,261,613
NON-OPERATING REVENUES (EXPENSES)					
Interest income (expense)	518	16,410	2,387	1,243	20,558
Sale of capital assets	61	51,348	-	-	51,409
Miscellaneous	-	35,926	46,356	-	82,282
Total Non-Operating Revenues	579	103,684	48,743	1,243	154,249
Income (Loss) Before Transfers	4,602	892,141	512,625	6,494	1,415,862
Transfers in	-	554,914	-	-	554,914
CHANGE IN NET POSITION	4,602	1,447,055	512,625	6,494	1,970,776
Net Position, Beginning of Year	130,742	1,649,519	345,834	64,400	2,190,495
NET POSITION, END OF YEAR	<u>\$ 135,344</u>	<u>\$ 3,096,574</u>	<u>\$ 858,459</u>	<u>\$ 70,894</u>	<u>\$ 4,161,271</u>

COUNTY OF MONO

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2018

	Copier Pool	Motor Pool	Insurance Pool	Tech Refresh Pool	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipts from interfund services provided	\$ 95,170	\$ 1,508,986	\$ 2,693,065	\$ 168,397	\$ 4,465,618
Cash paid to employees for services	-	(219,828)	(127,809)	-	(347,637)
Cash paid to suppliers for goods and services	(70,383)	(273,523)	(2,444,188)	(162,029)	(2,950,123)
Net Cash Provided (Used) by Operating Activities	<u>24,787</u>	<u>1,015,635</u>	<u>121,068</u>	<u>6,368</u>	<u>1,167,858</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Net transfers in	-	554,914	-	-	554,914
Other revenues	-	35,926	46,356	-	82,282
Net Cash Provided (Used) by Noncapital Financing	<u>-</u>	<u>590,840</u>	<u>46,356</u>	<u>-</u>	<u>637,196</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments related to the acquisition of capital assets	(39,190)	(956,565)	-	-	(995,755)
Sale of capital assets	116	51,348	-	-	51,464
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(39,074)</u>	<u>(905,217)</u>	<u>-</u>	<u>-</u>	<u>(944,291)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (paid)	519	16,410	2,387	1,243	20,559
Net Cash Provided by Investing Activities	<u>519</u>	<u>16,410</u>	<u>2,387</u>	<u>1,243</u>	<u>20,559</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,768)	717,668	169,811	7,611	881,322
Cash and Cash Equivalents, Beginning of Year	65,463	775,953	87,710	69,825	998,951
Cash and Cash Equivalents, End of Year	<u>\$ 51,695</u>	<u>\$ 1,493,621</u>	<u>\$ 257,521</u>	<u>\$ 77,436</u>	<u>\$ 1,880,273</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss) provided (used) by operating activities:	\$ 4,023	\$ 788,457	\$ 463,882	\$ 5,251	\$ 1,261,613
Depreciation	26,903	410,302	-	-	437,205
Changes in assets and liabilities					
Accounts receivable	-	946	-	-	946
Deposits with others	-	-	(574,380)	-	(574,380)
Deferred outflows	-	37,925	-	-	37,925
Claims liability	-	-	224,752	-	224,752
Accrued salaries and benefits	-	2,671	2,871	-	5,542
Payables	(6,139)	(30,621)	3,943	1,117	(31,700)
Net Pension liability	-	(188,158)	-	-	(188,158)
Deferred inflows	-	(5,887)	-	-	(5,887)
Net Cash Provided (Used) by Operating Activities	<u>\$ 24,787</u>	<u>\$ 1,015,635</u>	<u>\$ 121,068</u>	<u>\$ 6,368</u>	<u>\$ 1,167,858</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, 2018

	<u>Local Districts</u>	<u>School Funds</u>	<u>Total</u>
ASSETS			
Pooled cash and investments	\$ 21,360,945	\$ 22,242,145	\$ 43,603,090
 Total Assets	 <u>\$ 21,360,945</u>	 <u>\$ 22,242,145</u>	 <u>\$ 43,603,090</u>
 NET POSITION			
Net position held in trust for investment pool participants	 <u>\$ 21,360,945</u>	 <u>\$ 22,242,145</u>	 <u>\$ 43,603,090</u>

COUNTY OF MONO

Combining Statement of Changes in Fiduciary Net Position

Investment Trust Fund

For the Year Ended June 30, 2018

	<u>Local Districts</u>	<u>School Districts</u>	<u>Total</u>
Additions			
Contributions	\$ 26,536,895	\$ 48,965,005	\$ 75,501,900
Investment income	306,809	353,604	660,413
	<u>26,843,704</u>	<u>49,318,609</u>	<u>76,162,313</u>
Total Additions			
Deductions:			
Distribution from pooled investment	<u>23,140,272</u>	<u>50,514,586</u>	<u>73,654,858</u>
Change in Net Position	3,703,432	(1,195,977)	2,507,455
Beginning net position held in trust for pool participants	<u>17,657,513</u>	<u>23,438,122</u>	<u>41,095,635</u>
Ending net position held for pool participants	<u>\$ 21,360,945</u>	<u>\$ 22,242,145</u>	<u>\$ 43,603,090</u>

STATISTICAL SECTION (UNAUDITED)

COUNTY OF MONO

Tax Levies and Collections
General Fund Secured Roll
1997-98 through 2017-18

Fiscal Year	Secured & Unsecured Tax Levy	Current Taxes Collected	Percent of Levy	Delinquent Collections	Total Collections	Percent of Levy Collected
1997-98	5,977,025	5,236,546	87.61%	175,404	5,411,950	90.55%
1998-99	6,120,181	5,420,929	88.57%	185,983	5,606,912	91.61%
1999-00	6,420,655	5,699,096	88.77%	166,327	5,865,423	91.35%
2000-01	6,880,850	6,464,711	93.95%	139,088	6,603,799	95.97%
2001-02	7,073,947	6,992,736	98.85%	151,339	7,144,075	100.99%
2002-03	8,271,224	8,307,872	100.44%	250,939	8,558,811	103.48%
2003-04	8,426,505	8,523,576	101.15%	69,133	8,592,709	101.97%
2004-05	9,536,891	9,449,034	99.08%	58,669	9,507,703	99.69%
2005-06	11,362,185	10,892,350	95.86%	85,125	10,977,475	96.61%
2006-07	13,630,827	13,805,122	101.28%	122,857	13,927,980	102.18%
2007-08	15,706,796	16,120,226	102.63%	85,260	16,205,486	103.17%
2008-09	17,388,237	16,726,245	96.19%	145,777	16,872,022	97.03%
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%
2016-17	16,911,949	16,484,906	97.47%	170,941	16,655,848	98.49%
2017-18	17,334,675	16,920,747	97.61%	363,296	17,284,043	99.71%

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

COUNTY OF MONO

Property Tax Value Allocation Collection
1997-98 through 2017-18
AB-8 VALUES

Fiscal Year	Real Property		Personal		Total	
	Inc. HOPTR	% Chg	Property	% Chg		% Chg
1997-98	\$ 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%
2016-17	5,244,471,009	2.69%	394,428,705	1.22%	5,638,899,714	2.59%
2017-18	5,375,320,883	2.50%	401,388,290	1.76%	5,776,709,173	2.44%

**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
2017-18**

<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	0.060000
Total	1.060000
 <u>TAX AREAS: 051-014 THRU 051-018</u>	
PROP 13 (1% Limit)	1.000000
ESUSD BOND Current	0.060000
Total	1.060000
 <u>TAX AREAS: 010-000, 010-002, 010-003, 010-004, 010-006, 010-008, 010-011, 010-012</u>	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.022504
Mammoth Unified Bond '98, '00 & '01	0.029418
Southern Mono Hospital Bond Redemption	0.017078
Southern Mono Hospital Bond Current	0.029052
Total	1.098052
 <u>TAX AREAS: 010-001, 010-005, 010-007, 010-009, 010-010</u>	
PROP 13 (1% Limit)	1.000000
Mammoth-Kern SFID	0.022504
Mammoth Unified Bond '98, '00 & '01	0.029418
Southern Mono Hospital Bond Redemption	0.017078
Southern Mono Hospital Bond Current	0.029052
Total	1.098052
 <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	0.029418
Southern Mono Hospital Bond Redemption	0.017078
Southern Mono Hospital Bond Current	0.029052
Total	1.075549
 <u>TAX AREAS: 060-000</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.031657
Bishop HS Bond (Determined by Inyo County)	0.009048
Southern Mono Hospital Bond Redemption	0.017078
Southern Mono Hospital Bond Current	0.029052
Total	1.086836
 <u>TAX AREAS: 060-001 THRU 060-006</u>	
PROP 13 (1% Limit)	1.000000
Round Valley Bond (Determined by Inyo County)	0.031657
Bishop HS Bond (Determined by Inyo County)	0.009048
Total	1.040705
 <u>Unitary Tax Rate</u>	
Unitary 1% Ad Valorem	1.000000
Unitary Debt Service Rate	0.356143
Total	1.356143

COUNTY OF MONO

Distribution of Pooled Property Tax
1997-98 through 2017-18

Fiscal Year	County	Town of Mammoth Lakes	Schools Library and ERAF	Special Districts	Total
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%
2016-17	29.99%	4.30%	42.22%	23.49%	100.00%
2017-18	30.00%	4.30%	42.23%	23.47%	100.00%

COUNTY OF MONO
Tax Collections
1997-98 through 2017-18

Fiscal Year	General Fund		Secured and Unsecured			Totals
	County General Fund		Town of Mammoth	School	Special Districts	
	Secured	Unsecured		Districts and Augmentation Fund		
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
2016-17	15,725,094	1,177,187	2,424,093 **	22,859,891 **	14,200,279 **	56,386,544
2017-18	16,137,096	1,198,115	2,484,903 **	24,398,429 **	13,556,298 **	57,774,841

* *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
Miscellaneous Statistical Information
June 30, 2018

County Date of Formation:	April 21, 1861	
Form of Government:	General Law County under California Constitution 1849	
Area:	3,049 Square Miles	
County Road Mileage:	684.42	
Fire Protection:	No county-wide fire district, each community has its own special fire protection district	
Public Protection:	Sworn Sheriff/Jail Personnel	43
	Non-Sworn Sheriff/Jail Personnel	4
	Number of Stations	3
	Number of Employees	47
	Percentage of Public Protection Personnel	16.49%
Countywide Employees	Total of Full-time & Part-time	285
	<i>(Includes Public Protection Employees)</i>	
	<i>(Does not include Court Employees)</i>	
Elections:	<u>June 5, 2018 Primary Elections</u>	
	Number of Registered Voters	6,169
	Number of Votes Cast Last General Election	3,458
	Percentage of Registered Voters Voting	56.05%
	<u>November 8, 2016 General Elections</u>	
	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, 2018

Population:	<u>FY Year</u>	<u>County</u>	<u>Incorporated</u>	<u>Total</u>
(Bodie Only)	1879	8,000		8,000
	1910	2,042		2,042
	1920	960		960
	1930	1,360		1,360
	1940	2,299		2,299
	1950	2,115		2,115
	1960	2,213		2,213
	1970	4,016		4,016
	1980	8,577		8,577
	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
	2017	5,711	8,002	13,713
	2018	5,506	8,316	13,822

*** No Data Kept for these years